World news

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Standard Chartered: rescued, but at a price, Page 12

Monday July 14 1986

D 8523 B

Shin Bet ultimatum Valley for Israeli recovery Cabinet

Israeli Attorney-General Yosef Har-ish told the Cabinet if it did not ac-stocks slid to record lows following cept his proposal for a state commission of inquiry into the killing of two captured Arab bus hijackers, allegedly by the Shin Bet internal security service, he would order a police investigation.

The Cohine in it that not act actors sticks slid to record lows following disappointing quarterly results from two of the largest West Coast chip makers and another dip in the industry's leading indicator. Page 15

show cause why there should not be software house. Page 24

an inquiry.

Right-wing Foreign Minister Vitzhak Shamir, Prime Minister in 1984
which the incident happened and directly in charge of Shin Bet, has accussed critics of using the case to
the EMS. The D-Mark and Dutch
to the Land to the point of the EMS. The D-Mark and Dutch
smiller were also stronger, with Friblock his path to the premiership guilder were also stronger, with Fri-under a power-sharing accord with day's cut in the US discount rate Prime Minister Shimon Peres.

Libyan exercises

Libya said it had begun military exercises over the disputed Gulf of Sirte as US air activity in the region was reported in Washington.

Iraq hits ships

Iraq said its warplanes hit three ships in 24 hours in the Gulf. One of them was believed to be the 123,600ton Cypriot tanker Achilles, hit by a missile south of Iran's Kharg Island

Kuwait's priorities

The Emir of Kuwait, Sheikh Jaher al-Ahmed al-Sabah, swore in a new government and listed the economy and security as its main priorities.

Journalist expelled

was expelled by the Iranian Government for allegedly revealing mil-itary secrets in his reports.

Meeting dispersed

dent Marcos of the Philippines were dispersed by police after assembling in a park in defiance of a Bonn aid talks

About 500 supporters of ex-Presi-

three-day official visit.

Afghan battle

The official Soviet news agency Tass reported a "successful opera-tion" by Moscow-backed govern-ment forces against rebels in Afghanistan's western Herat prov-

Lipinski dies Veteran Polish socialist and dissi-

dent Edward Lipinski died in Warsaw aged 97. Death toll rises

The death toll in the Moslem-Hindu

riots in the western Gujarat city of the burning alive of two Moslems at a hospital Page 3

Whale demo shots

Police exchanged shotgun fire and tear-gas hombs with anti-whaling protesters while trying to board their ship off the Farce Islands.

Chefs honoured Two top chefs, Paul Bocuse and ier Messiaen are among those hon-oured in Legion of Honour rankings

announced by French President François Mitterrand Manseli goes top

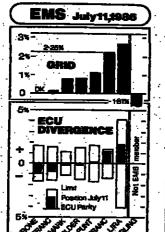
Silicon

falters

Business summary

The Cabinet will meet today to
discuss the case, a day before it has
to answer a Supreme Court order to

Mitchell Kapor resigned as chairman of the US personal computer



these two currencies. The Belgian franc was a little weaker and was placed close to the Danish krone as the two weakest currencies. How-ever both were well within their divergence limits.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the meakest currency in the system, defines the cross rates from which no currency (except the ling) may move more than 2% per cent. The lower chart gives each currency of the system of the currency of the system of the currency cy's divergence from its "central rate" against the European Curren-cy Unit (ECU), itself a basket of Eu-

Aid is expected to play a central role in talks in Bonn between the munity could be pensioned off at 55 West German Government and Prime Minister Mohammad Khan out of agricultural use.

CHINA will take part in the last major trade round of the century due to start later this year, a Gatt spokesman said. Page 3

BRITISH Caledonian, largest independent UK airline, has begun legal Airbuses it sold earlier this year to a Hong Kong organisation from finding their way to Libya. Page 14

PEOPLE Express, financially trou-bled US airline, rejected a 89 per share offer from its arch rival, Texas Air, and agreed to sell its Fron-tier Airlines subsidiary to United Airlines for \$146m. Page 15

WESTINGHOUSE Electric, Pittsburgh-based electrical engineering group which is in the midst of a ma-Ahmedabad rose to at least 49 with jor restructuring programme, reported a 13 per cent increase in second quarter net income to \$163.1m.
Page 14

CATERPILLAR, world's leading earth-moving equipment manufac-turer and a prime beneficiary of a weaker dollar, is continuing its

BUDD BANNED FROM GAMES BUT TANZANIA JOINS BOYCOTT

New warnings to Thatcher of danger to Commonwealth

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

TANZANIA yesterday became the fifth African country to withdraw from the Commonwealth Games, against communism. fifth African country to withdraw from the Commonwealth Games, which start in Edinburgh next week, in protest at the British Government's attitude towards South

This extension of the African boy-cott, after similar announcements by Nigeria, Uganda, Kenya and Ghana, further intensifies the public pressure on Mrs Margaret Thatcher, the UK Prime Minister, over sanctions against South Afri-ca, especially given the widespread warnings over the weekend of the

mayed hadly if Britain fails to respond in some positive way to the expectations of black Africa. In an explicit attempt to prevent the boycott of the Edinburgh games spreading, the Commonwealth Games Federation design and the state of the Edinburgh games spreading, the Commonwealth Games Federation design and African Africa

Mr Kenneth Kaunda, the Zambian president, who last week pub-licly criticised Mrs Thatcher in front of Sir Geoffrey Howe, the UK Foreign Secretary, said he found it "more and more difficult to see myself sitting side by side with a lady who holds the view that Mrs Thatcher holds on South Africa." He described Sir Geoffrey's mission to southern Africa as a "time-wast-

dangers of the break-up of the Com-monwealth.

London from the first leg of his mission as president of the EEC Mr Bill Hayden, the Australian
Foreign Minister, said: There is a
fear that the Commonwealth could
Thatcher this morning after her re-

wealth faced greater strains than Miss Zola Budd, the South Africanduring the Rhodesia crisis and born 5,000 metre record holder, there was now a clear danger that some countries would withdraw. He said Western countries had to make for Britain in the 1984 Los Angeles

Olympics. The federation also banned South African-born swimmer Miss Annette Cowley. Both

have British passports.

Mr Peter Heatley, a federation spokesman, said that now the decision had been made "we see no ob-stacle which should prevent coun-tries attending." However, a Nigerian spokesman said the ban made no difference to its withdrawal.

The decision produced a furious reaction from the right wing of the UK Conservative Party. Mr John Carlisle, the chairman of the Tory backbench sports committee who has close links with the Pretoria re-gime, said the ban brought shame and disgrace on the Commonwealth and the games federation."

Fellow Tory MP Mr Peter Bruinvels accused the federation of "pan-dering to the black communities", though Labour MP Mr Bob Hughes, the chairman of the Anti-Apartheid Movement, welcomed the decision

Continued on Page 14

sanctions, Page 2; Editorial

Standard Chartered wins but faces re-organisation

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

STANDARD Chartered the British ders obtained greater value for Standard has a large subsidiary, pased international bank, remains independent tiday after lighting off the hostile cl. Shn (\$1.85ba) take over bid from Lloyds Bank of the banking group, appeared doomed UK. But its future course will be

Saturday afternoon after receiving 44.4 per cent of the vote, just over 5 nostile bank takeover bid.

Mr Brian Pitman, Lloyds chief executive, said: "Naturally we are disappointed. We would have succeeded if our offer had not have frustrated by the standard by the succeeded if our offer had not have succeeded in the had not have succeed frustrated by heavy buying at the last minute from overseas. We wish

ture."

dard's metal trading
Mr Michael McWilliam, Stan- with a similar amount dard's chief executive, said he was Lloyds Bank was also unable to pleased his bank had protected its increase its own buying of Standard

Standard Chartered well for the fu-

their investment.

wer bid from Lloyds Bank of the banking group, appeared doomed to be banking group, appeared doomed by Engle new shareholders the shaped by large new shareholders throm the Far East who came to its last minute rescue.

Lloyds Bank conceded defeat on Standard Chartered amassed about 375p per Standard share. But these, Sir Yue-Kong Pao, the Hong Kong shipping magnate, bought just under 15 per cent at a price is likely to fall further today two days.

Lloyds had been offering a package of cash and securities worth about 375p per Standard share. But Standard's shares closed on Friday est of these, Sir Yue-Kong Pao, the Hong Kong shipping magnate, bought just under 15 per cent at a price is likely to fall further today two days. banking group, appeared doomed by Friday after investors friendly to Standard Charteren annasses shaped by large new shareholders from the Far East who came to its 40 per cent of the shares. The largest of these, Sir Yue Kong Pao, the est of these, Sir Yue Kong Pao, the

> at of Malaysia with 5 per cent, Mr "Tiny" Rowland of Lonrho with about 2 per cent and Dr Henry Jarecki, the director of Mocatta, Standard's metal trading subsidiary,

independence. The task now, he shares beyond 4.9 per cent because said, was to ensure that sharehol- of legal constraints in the US where

and this prevented it acquiring loose parcels of shares as they ap-

their reasons for coming to its aid. However, it is likely that they will press for a major reorganisation of the bank, including the separate flotation of several parts of the business on foreign markets in order to realise asset values. Mr McWilliam has said he supports such a plan, Mr Pitman said Lloyds was confident it could develop a new strategy after the failure of its bid, including

further possible acquisitions.

SA bank buys black employee house in white area

By Bernard Simon in

BARCLAYS National Bank, South Africa's leading banking group in which Barclays Bank of Britain has a 40 per cent interest, has flouted a basic tenet of apartheid by helping a black employee buy a house in a Johannesburg suburb reserved for

Confirming the bank's involve-ment, a senior Barclays official said that the illegal action was aimed at encouraging the Government to scrap the Group Areas Act, the law which enforces residential segregation. Growing disregard for the Act in some cities, especially Johannes-burg and Cape Town, has fuelled speculation that the authorities are paving the way for its abolition.

The Barclays official who has bought the house in the middle-class suburb of Wendywood is Mr Gaby Magomola, personal assistant to the bank's managing director, Mr Chris Ball. Mr Magomola spent eight years in the US before returning with his family to South Africa.

The bank spokesman said that "it would be difficult for him to set up home in a black township." Mr Magomola's children attend a private multiracial school in Johannes burg's northern suburbs.

Barclays' action is one of several recent cases in which foreign-controlled companies have encouraged contravention of discriminatory laws. General Motors' local subsidiary offered legal assistance earlier this year to any black worker prose-cuted for swimming at whites-only beaches in the Eastern Cape city of Port Elizabeth.

Some other companies are under-stood to have helped senior black employees to move into white suburbs either by renting them company-owned houses or, as in Barclays' case, by providing loans for individ-ual purchases.

An acute shortage of housing it residential areas reserved for non-whites has encouraged growing numbers of blacks, Indians and coloureds to move into white suburbs, especially lower income districts se to city centres. According to one estimate, about 30,000 people now live illegally in so-called "disqualified" areas of Johannesburg. The chairman of the city's central

business district (CBD) association said recently that residential parts of the CBD and nearby suburbs were already multiracial in all but The president's council, a govern-ment-appointed advisory body, is

due to issue a report next month on the desirability of maintaining the Group Areas Act. President P.W. Botha said last April that the law was no holy cow.

Baker attacks Germany over interest rates

BY STEWART FLEMING IN WASHINGTON

vise downwards its economic fore- are looking at a negative inflation casts for 1986 and said America rate and negative growth. We need would need help to revive its economic form major industrial country large degree the world economy for the same properties.

West German government for criticism for failing to do more to provide additional impetus to world look in the wake of the Fed's disposed to the state of the fed's disposed to the fed's disposed to

reform legislation and to resolve tion in our growth forecast." He de-the bitter debate about the shape of clined to say how much this would the 1987 federal budget.

Mr Baker went on to say that so far as tackling the huge US trade deficit We have done a lot of what we can do on the exchange rate side. We've go to do some other things," including tackling the bud-get deficit.

and Japan appear not to be ready to pects that Congress will "deal with follow the discount rate reduction the deficit." He added: "We have to

MR JAMES BAKER, US Treasury
Secretary, yesterday conceded that ticular you are looking at unemthe White House would have to reployment of around 9 per cent, you the last 42 or 43 months... Mr Baker also singled out the would like to see some help from

rowth. count rate cut to 6 per cent, Mr Bak-Mr Baker was interviewed on US er said of the Administration's 4 per television with Congress about to cent real growth forecast for 1986: reconvene today after the indepen- "Growth has not been and does not dence day recess. It faces an agen- look like it will be during the course da which includes the need to put of 1986 what we had originally forethe final touches to ambitious tax cast, so there will be some reducbe, however, saying only that the figures would be released in the week beginning August 4.

Mr Baker said he was not a "sanguine" about the budget outlook as the two Congressmen, Senator Phil Gramm of Texas and Representaget deficit.

He then described as "regrettable" the fact that West Germany gramme with him, about the promade by the Federal Reserve Board do it. It's like a cancer - if we don't on Friday with cuts of their own. get it, it's going to get us."

Andreotti tries again to form government

BY ALAN FRIEDMAN IN MILAN

appounced on Friday that it would reer, a Christian Democrat politirefuse to join a Government led by cian. Mr Andreotti or by any Christian
Democrat. Without the participation of the Socialists, a five-party designed to force the Socialists to ruling coalition cannot be formed. ists suggested that Mr Andreotti re-nounce his mandate as Prime Min-ister-designate, rather than go ahead with "useless" consultations.

Prime Minister.

Quality in an age of change.

MR Giulio Andreotti, the vetaran ment crisis, Mr Salvo Ando, a lead-christian Democrat, who has been asked by Italy's President Frances-co Cossiga to form a new Government, today begins a fresh round of consultations to try-to bring an end to the 17 day-old Rome government crisis.

Andreotti faces an unbill dept of the Rapublic is meant in be Mr Andreotti faces an uphill dent of the Republic, is meant to be struggie. The Socialist Party of out-going Prime Minister Bettino Craxi ever, during his entire previous ca-

uling coalition cannot be formed.

At the weekend, several SocialAt the weekend he met Mr Carlo

The Socialists want Mr Craxi, terday being given an ever-slimmer who resigned on June 27 after a margin for success, If it fails, it will parliamentary defeat, reinstated as become increasingly likely that Ita-Prime Minister. Iy will face early elections, well In an indication of the increasing ahead of the end of the present hitterness of the Italian govern- Parliament in 1988.

Shevardnadze likely to stress Europe's detente role on UK trip BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

the Soviet Foreign Minister, who The two Foreign Minister will arrived in Britain, last night for a have a second round of talks tomor-

Geoffrey and Mr Shevardnadze. Over the last few months, rela-

General Chervov, who was un-usually talkative for a Soviet offihave a second round of talks tomor-row at Lancaster House in London, plomacy initiated by Mr Gorbachev, after which they will sign a long- gave a clear pointer to the issue term economic and industrial pro- which will dominate Mr Shevard gramme which was initialled in nadze's talks with Sir Geoffrey and February. A scientific co-operation Mrs Thatcher. These are expected ment between the two coun- to be arms control, both in the nutries is also due to be signed by Sir clear and conventional fields, and

MR EDUARD SHEVARDNADZE. Street in the afternoon.

two-day official visit, is expected to reinforce the impression that Mos-cow wants Western Europe to play a bigger role in East-West detente. Although Soviet officials, from Mr Mikhail Gorbachev, the Soviet leader, downwards, have gone out of their way to deny that they want to drive a wedge between the US and its European ellies, that has not prevented Moscow from conducting a campaign which is clearly in-tended to woo the West Europeans.

preparations for a second summit between President Ronald Rearan ween President Ronald Reagan

tions between the two countries of the US and Mr Gorbachev. have steadily improved, as the SoWith Mrs Thatcher's close relastrong profit recovery with a 178 per cent rise in second quarter net have steadily improved, as the Soviet Union has tried - with little tionship with President Reagan ncome to \$130m. Page 14 success it should be said - to draw very much in mind, Mr Shevard-Britain and France into the nuclear nadze is expected to stress to his arms control negotiations. uencen to woo the west Europeans. Mr Shevardnadze's visit, the first by a Soviet Foreign Minister to Britain for 10 years, is intended to mark the formal ending of a long period of coolness in Anglo-Soviet relations, which reached a nadir KAISER Aluminum, which earlier this year defeated an unwelcome takeover bid by a dissident share-The scene for the visit by Mr Shevardnadze, who has finally taken up an invitation originally extended directly involved. Mr Shevardnadze holder group, has signed a letter of intent to sell a major portion of its vardnadze, who has finally taken up an invitation originally extended to his predecessor, Mr Andrei will, no doubt, repeat Moscow's powiet Union, was set by a successful to concrete agreements on arms consists a last month of a Britreal estate holdings for \$450m to a with the tit-for-tat expulsion of 31 diplomats and journalists in Octogroup of private investors, led by Bedford Properties of Lafayette, Nigel Mansell (Britain) driving a California Page 17 Williams won the British Grand Prix and went to the top of the DISCOUNT BANK chief Raphael ber last year. Visit to Russia last month of a Britoncrete agreements on arms conish parliamentary delegation led by trol, in the hope that Britain will be first round of talks with Sir GeofLord Whitelaw, Mrs Thatcher's depable to exercise some influence on frey Howe, the UK Foreign Secrety. This was followed early in July the US to this end. by a visit to London by General Niworld championship table for the Racanati was suspended for three tary, at Sir Geoffrey's country home by a visit to London by General Ni-in Chevening, Kent today, before to knisi Chevov, head of the Directoraling on Mrs Margaret Thatcher, rate of Soviet Chiefs of Staff dealfirst time in his career. Nelson Piq-uet (Brazil) was second in a Willi-his refusal to resign following criti-Reagan's SDI plea, Page 3; Hesitant steps on summit threshold, Page 13 his refusal to resign following critiams and Alain Prost (France) third cism in a report on a 1983 bank the Prime Minister, in Downing ing with arms control. ___ CONTENTS _ S. Africa: UK companies' Lloyds/Standard: motives of Eurobonds 15, 16 Financial Futures 22 Intl. Capital Markets 15-17 Digital audio tape: makers Editorial comment: union shun the fast-forward 3 L_llots; Commonwealth . . 12 Tunisia: applause dies out Arms control: hesitant steps

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Big Bang: what follows fixed Lex: no quarter for long-

KING HUSSEIN of Jordan sought polarisation" among parties to the at the weekend to shore up his Arab-Israeli conflict. country's somewhat frayed image • Jordan is continuing its efforts to after a series of setbacks, including reconcile Syria and Iraq despite the a painful break with the leadership cancellation of a planned meeting of the Palestine Liberation Organi-last month between the foreign sation (PLO) and student riots that ministers of the two countries. left three people dead.

Arab leader, the King summoned where a large arms deal proposed reporters to his heavily guarded pa- for the Amman Government has lace to counter recent adverse pubrun into congressional opposition. licity in the Western press about in- • Jordan's economy is sound and ternal developments in Jordan and in a better position than last year, about the circumstances leading to despite reports to the contrary in

Officials have been alarmed by King Husseln was restrained in negative reporting in Western his criticism of the PLO leadership newspapers that has focused on of Mr Yasser Arafat, although his Jordan's uncertain possesses ous.

nomic future. Restrictive measures ous.

"We have very serious differences "We have very serious differences." In Jordan's uncertain political and eco- frustration with the PLO was obvialso attracted attention in the West. in terms of our priorities..." he
The King, who recently returned said. "It would seem the priorities

home after spending a month visit- of others are a little vague, to say ing the US and Europe, ordered res- the least." trictions lifted on previously In February, the King denounced banned reporters and instructed of-ficials to be more open in dealings in the search for a Middle East with the press.

Correspondents used to spending man of reneging on commitments, days in Amman without having Jordan and the PLO had for more their phone calls returned by minis-than a year been working together ters offices and palace spokesmen to revive the stalled Middle East ters' offices and palace spokesmen are now receiving prompt replies peace process. and even unsolicited approaches from senior officials inviting them months of painstaking negotiations to persuade Mr Arafat to endorse

for exclusive briefings.

The King's carefully stage-managed press conference in the garwhich implies recognition of Israel dens of his official residence was within pre-1967 War boundaries. conducted before some 50 reporters. onducted before some 50 reporters. Such endorsement would have Also present were his American fulfilled an important precondition wife, and advisers who heard the for the start of peace talks, but in

King say that he hoped the press the end, because of internal PLO conference would be the first of pressures, Mr Arafat was unable to many similar opportunities for accept the resolution, on the ground frank and candid discussions. King Hussein answered ques-rights to statehood. tions for more than an hour. Among King Hussein, who has been try-

the points made were:

• Jordan supports the recent Mr Arafat's leadership in the occup-French-Soviet proposal for an in- ied West Bank, said: "We are leav-ternational conference on the Mid- ing it to the Palestinian people to dle East attended by the five perm-decide [as to who should lead anent members of the United Na-them]." tions Security Council as well as by "Any leadership dedicated to parties to the Arab-Israeli dispute. serving the Palestinians and their Jordan continues to support the cause will gain respect and support PLO "as an institution" as the sole from Jordan and others." West legitimate representative of the Pal- Bank Palestinians have shown little

estinian people. interest in Jordanian attempts to

• Jordan is committed to assisting foster an alternative leadership to
the economic development of the that of Mr Arafat and his main-West Bank, occupied by Israel in stream Fatah group, the largest of the 1967 War, to encourage people the PLO's myriad factions.

to stay on their land.

King Hussein said it was only
In the absence of fresh moves,
through joint action by Jordan and
the peace process has effectively
run into a dead end and there is inhope of achieving progress towards creasing danger from the "growing recovering territory.

an Anguanistan's Herat province, killing dozens of insurgents including 13 leaders, the official Soviet news agency Tass said yesterday, Reuter reports from Moscow.

Large quantitles of missiles,

tured in the province, which were defeated.

Moscow claims defeat of

rebels in Afghan province

Soviet - backed government lies near the Iranian border troops have routed rebel forces and the Soviet republic of in Afghanistan's Herat province, Turkmenistan, Tass said.

mounts in strife-torn **Indian state**

Death toll

AT LEAST 49 people have been killed in the past five days in the second wave of communal violence that has hit the western Indian State of Gujarat since Mr Rajiv Gandhi, the Prime Minister, took office in Jordan is seeking arms from var October, 1984. In a highly unusual step for an ious sources other than the US,

peace and accused the PLO chair

The rioting became so serious over the weekend that the Congress-I Government of Gujarat out the army on alert and deployed large numbers of paramilitary forces all over the strife-torn State.

The situation became critical when a State-wide general strike was called by Hindu organisations on Saturday to protest against attacks on Hindu processions last Thursday. These were followed by clashes between Hindus and Moslems in various towns. Mr Gandhi is keeping in touch with the situa-tion in Gujarat but so far has

This could become necessary because Gujarat is one of the main industrial states controlled by Mr Gandhi's Congress-I Party. At present, the main centre of the violence has been the textile city of Ahmedabad which is close to the capital, Gandhinagar. But trouble has spread to other towns, notably Baroda, which is the centre of its crude oil and natural gas production. A curiew is being inforced in various towns.

Assets seized

The Philippines Governmen has seized Pesos 184m (£5.9m) of assets of a coconut federation linked to a close associate of deposed President Ferdinand Marcos. Commi Raul Daza of the Good Government Commission said.

The commission's sequestration of the Philippine Coconut Producers Federation (Coco-fed) has completed efforts to dismantle influence by businessman Mr Eduardo Cojuangeo over the multi-million dollar coconut industry.

In recommending the move, Philippine Coconut Authority Chairman Mr Oscar Santos said "it was the most effective way to dismantle the monopoly in the coconut industry."

Bermuda, US tax pact Bermuda and the US have agreed a tax convention that will help increase the flow of American business to the help in preventing US tax fraud and evasion, writes Roger Scotton in Bermuda, The conof the British Government, was signed in Washington DC by Mr John Whitehead, acting secre-tary of state, and Bermuda's Premier John Swan. Among its provisions are one which allows American companies to deduct from their tax liabilities the cost of business conventions staged in Bermuda. This is expected to strengthen tourism earnings. Another provision gives US companies exemption Large quantities of missies, artillery pieces, heavy machine guns and small arms were capguns and small arms were capspecify when the Afghan rebels miums, channelled to Bermuda

London, 631 1767 and

elsewbere in the U.K.

INACITY WHERE **IMPECCABLE SERVICE IS** AN ART, ONE HOTEL IN SHINJUKU **CONTINUES** THAT TRADITION. For reservations call your Travel Agent, any Hilton International Hotel or Hilton Reservation Service – in

TOKYO HILTON INTERNATIONAL

Afghan Moslem guerrillas launched an offensive one month ago on the town of Herat

and drew heavy fire from Soviet

and Afghan government forces, who used missiles and long-

Pretoria's policies tested as schools re-open

TODAY'S scheduled reopening of schools in South Africa's black townships and planned industrial action by the largest black trade union group will provide a key test of the authorities' success in restoring calm since the declaration of the state of emergency almost a month

ago. The Government **ha**s imposed unprecedented security and disciplinary measures in an effort to minimise disrup-

tion of classes at the 7,000 schools. But its actions have caused considerable resentment among teachers, pupils and the black community

generally.

The day of action has been called by the Council of South African Trade Unions African Trade Unions (Cosatu) to protest detentions of its members and other measures under the state of emergency.

Major employer groups have arged workers not to

respond to the stay-away call. The employers' hard line together with the fact that the action was decided on only laset week and the detention of many trade paids or panof many trade union organisers may dampen workers'

Black schools have been a focal point of much of the unrest in South Africa over the past two years. The 1.7m publis and their parents have been divided on whether to continue attending school in

the face of a segregated education system in which facilities for blacks are far inferior to those for whites.

The Government delayed pupil's return from the midar break by two weeks to enable it to put the new measures in place. These in-clude identification cards for all pupils, security fences around school properties and security guards. Many organcotts are understood to be in detention.
The authorities say they have also moved to defuse complaints against school facilities with an R210m £55.2m) building programme. President P. W. Boths promulgated new regulations yesterday compelling all pupils to apply again for enrolement. The authorities are empowered to refuse an ap-

plication without " giving

Even without sanctions the UK is reducing its stake in the republic, write FT reporters

British business backs away from S Africa

BRITISH companies are reduc ing their stake in South Africa while continuing to support the government's view that economic sanctions in support of black political demands would do more harm than good. Domestic pressure on com-panies in the UK to disinvest is far weaker than in the US, for example, where some 50

concerns are said to have pulled out recently. Nevertheless, many of the 172 major British companies with a total of £10bn-£12bn of assets in the country are dilutions. ing their interests and a number are anxious to sell sub-

sidiaries. The UK is the largest foreign investor in the republic, but local plants usually enjoy considerable management autonomy. If sanctions were imposed, many of the plants would switch to alternative sources of supply, along with native South African businesses. In spite of the present emer-In spite of the present emergency and predictions of a long and bloody struggle ending in

black majority rule, some British industrialists refuse to contemplate the loss of a profit-able, if competitive, market. As one plant contractor said: "It has the needs of a developing country, but all the facilities of Few UK institutions have found their involvement with South Africa as embarrassing as they still have an unchanged ex-



Mr Botha: his resistance to change frustrates some UK businessmen

to 40 per cent, and in the pro-cess changed it from a sub-sidiary to an associate company. Eventually it will drop the name Barclays.

Standard Chartered has gone through a similar process with Stanbic, another leading South African banking group, in which its holding is 39 per cent. In both these cases, the reduc-tion was achieved by not subscribing to rights issue by the South African companies.

the banks, notably Barelays, source to South Africa which Standard Chartered and Hill would at some stage have to be sold if they wanted to pull out been accused of financing a racist regime. Over the years their business there has been these interests, a sale would extremely profitable, but recently the political pressures have grown and they have been they are unchanged extended they have an unchanged extended they have been sold if they wanted to pull out of they are they wanted to pull out of they

authorities' desire to see foreign bank ownership brought below 50 per cent. Hill Samuel topped the list of foreign institutions arrang-ing loans for South Africa last year. But the group pointed out that most of the loans were put together to support UK exports to the republic. Recently, this business has slackened because the South African recession has hit imports. Bankers are reluctant to dis-

Bankers are reluctant to discuss the political situation publicly, but the reduction in their South African profile suggests a good measure of concern about the prospects there. Generally, they take the view that sanctions would do more harm than good, though there is also some frustration at resistance to change of Mr P W Botha's government. government

South African politics also played a role in Lloyds Bank's £1.3bn takeover bid for Standard Chartered, which failed last week Had Lloyds succeeded, it would have bought itself poli-tical trouble too — the antiapartheid pressure groups were already stirring. But though Standard won, it failed to find a white knight, mainly because no potential rescuer was will-ing to get embroiled with the

Another company seeking to reduce its exposure in South Africa is MK Electric, the electrical components manufacturer.
It is considering selling its plugs and sockets business, and has written down the value of this and a cable conduits business by fim in the past finan-

Mr Roger Leverton, chief executive of MK Electric, said

INVESTMENT IN 5 AFRICA Britain US West Germany France Switzerland Rest of world Total Source: Anti-Aperteid Movement

great deal of time to sort out their problems," he said.

Chloride, the battery company whose chairman, Sir Michael Edwardes, was born in South Africa, has just closed one of its two manufacturing plants in the republic, at East London. The decision, said the company, was entirely due to falling demand for car batteries. Sir Michael's view was said to be that there was more to be gained in terms of employment and influence from being inside their problems," he said.

and influence from being inside the country than outside it. Like others, Chloride said it would suffer little from sanctions, since the local company contributed virtually nothing to

group profits.
Northern Engineering Industries has a manufacturing subsidiary employing 4,000 people to make boilers, turbines, diesel engines and pumps. "At the moment we have no reason to change our minds about it." a spokesman for the company said.

Davy Corporation has, apart from considerable contracting business, a crane manufactur-ing operation outside Johannesing operation business shames burg. This is its biggest foreign investment anywhere and recently the company rehoused it in a greenfield factory.

recently side pointical pressures of how to repartiate the pro-have grown and they have been ceeds.

Seeking ways of disentangling themselves from the republic bank, has a 70 per cent-owned Barclays last year reduced its interest in Barclays National any future rights issue to results. South Africa's largest duce its interest, probably citations because of the unemployto the collective anti-sanctions to the collective anti-sanctions ment and suffering they would statement put out recently by banking group, from 50 per cent Davy seems to be hoping that

of 50 British companies with South African interests. Meanwhile, negative evidence that companies are clearing the decks was provided by the Government-run Export Credits Guarantee Department, which said that there was "not much demand" for insurance of new investments in South Africa. Shell International said same tions were probably inevitable, but expected to see the market for its products continue. "We have survived changes in the

past elsewhere in the world and hope to continue to do so." hope to continue to do so."

Describing itself as part of
the internal pressure for reacful change, Shell said compansory disinvestment would sory disinvestment would merely mean removing the Shell logo — and the loss of shareholder support for its enlightened employment policies.

British Petroleum argued that even if sanctions were effective they would endanger long-term growth of the courty harm black workers

directly. Sanctions would not prevent local subsidiaries from trying to continue in business by sourcing locally, according to Unitever, which has manufacturing and marketing interests in consumer products and

in consumer products and special chemicals.

If punative sanctions were introduced and were effective, they would probably lead to retrenchment "resulting in increased unemployment for the province of the control of very people they are intended to assist."

Tate and Lyle has a company called The Pure Cane Molasses Company (Durban) which it describes as a listening past in the sugar trade. Sanctions would hurt the business, but the company would not reveal whether it had plans to circumvent them by, for example, mov-ing its listening post further up

Reagan backs

Javewardene's

offer to Tamils

THE SRI LANKAN government

of President Junius Javewar

dene has received a message from President Ronald Reagan

on the eve of a first round of

talks he is holding with the

In his message President

Tamil leaders who returned

Kuwaiti Emir swears in new government

with reviving a ravaged oil-reliant

ter reports from Kuwait. Sheikh Jaber al-Ahmed al-Sabah solve a lingering crisis in the econonamed a 22-man cabinet to serve in my caused by the crash of local the wake of an Emiri decree 10 days stock markets in 1982. ago that suspended parliament and parts of the constitution.

Iraq war, and of a spiral of terror-

formed cabinet's first meeting yes-

backed Government of President Jose Napoleon Duarte.

The plan calls for a broad-based coalition in which the rebels would be "one of the components." This would lead

mos, the insurgent radio station, by Commander Joaquin Villa-lobo, military chief in the east

El Salvador rebels try

again for coalition rule
BY OUR MEXICO CITY CORRESPONDENT

EL SALVADOR'S left wing insurgency has launched a modified proposal fora coalition government ahead of peace talks due to take place within the next month, with the US-backed Government of Press.

to an immediate ceasefire in the six-year-old civil war and the war.

calling of elections open to all.

The rebel proposal was announced over Radio Vencere- to international non-alignment,

lobo, military chief in the east of the country for the Faribundo Marti National Liberation Front (FMLN).

The main difference to the last rebel platform—put forward at a second round of abortive peace talks in El Salvador that the since the war began.

Mexico City.

Mr Duarte's Government has until now rejected any suggestion of a coalition and has only been prepared to offer the rebels an amoesty if they lay down their arms and "rejoin the democratic process." El Salvador has had four elections in November 15:4—is that the

On top of the problems is secureconomy amid heightened concern ity, he told ministers in an address over the Gulf state's security, Reucarried by the Kuwait news agency, Kuna. The next priority was to re-

Kuwait's once booming eco is now in recession. Central bank He spoke then of a "fierce foreign figures show that gross domestic conspiracy" against the emirate, product, before accounting for infla-sandwiched into the north-west ton, fell 9.6 per cent last year after growing a mere 0.15 per cent in the contract of the Iran-

In real terms, that means that it The Crown Prince and Prime shrank 10.5 per cent in 1985, and oil Minister Sheikh Saad al-Abdulla alprices have plunged by around two Sabah, addressing the newly thirds since then. The pro-Government al-Seyassah

The two armies would remain intact and separate during an armistice until "the process of democratisation" is completed. This process would include the purging from the security forces of those elements involved in human wights abuses which

human rights abuses which account for perhaps two-thirds of the 60,000 dead in the civil

according to rebel sources in Mexico City.

THE EMIR of Kuwait yesterday terday, listed security and the econ-swore in a new Government faced omy as the main challenges. newspaper greeted the Emir's ac-tion this month as "the beginning of bombings since a series of blasts in the end of the economic recession." The new, expanded Government

shows seven new faces and the loss of only one former minister, with none of the vital oil, finance, defence and security jobs affected. Al-Seyassah acknowledged that the success of efforts to restore eco-

nomic confidence might depend on The return of confidence and

ant of the local economy cannot be successful if a secure atmosphere is not achieved ... The Government must work to achieve internal security and at the same time revive the economy," it com-

BY ANDREW WHITLEY IN JERUSALEM

Israeli cabinet agrees to

action over bank governor

THE ISRAELI Cabinet yesterday bowed to intense pressure the IDB chairman.
The IDB is Israel's third agreed to the suspension of Mr Raphael Recanati, one of the country's wealthiest men, as chairman of the Recanati Barclays Bank in the small chairman of the Recanati Barclays Discount Bank.
The IDB is Israel's third largest commercial bank. It also has a 50 per cent share with Barclays Bank in the small barclays Bank in the small barclays Discount Bank.
The IDB is Israel's third largest commercial bank. It also has a 50 per cent share with Barclays Bank in the small barclays Discount Bank.
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The IDB is Israel's third largest commercial bank. It also has a 50 per cent share with Barclays Bank in the small barclays Discount Bank.
One option now open to Mr Recanati may be to challenge the Bank of Israel Governor's authority in the courts. This would open the way to a legal battle whose outcome is by no means certain.

The IDB is Israel's third largest commercial bank. It also has a 50 per cent share with Barclays Bank in the small chairman be country's wealthiest may be to challenge the Bank of Israel Governor's authority in the courts. This would open the way to a legal battle whose outcome is by no means certain.

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Is also has a 50 per cent share with Barclays Bank in the Sank of Israel Governor's authority in the courts

business Liberals, who form General's ultimatum

bombings since a series of blasts in December 1982 at the US and French embassies, including a carbomb assassination attempt on the Emir, aged 60, in May last year.

Shortly before the emiri decree dissolving parliament, the interior ministry announced a number of arrests for the attempt on the Emir, two cafe blasts last July and a machinegun attack on the editor inState of Tamilnadu. chief of al-Seyassah.

Parliamentary sources said that those held included supporters of the banned Iraqi Islamic Call, a Moslem group fighting for an Irani-an-style regime in Baghdad, and two members of the Abu-Nidal breakaway Palestinian group. ...

Reagan whose country is Sri Lanka's largest aid donor, said he regarded Mr Jayewardene's offer of provincial autonomy to the minority Tamils of the north as "an excellent basis for reaching a negotiated settlement." The US leader said to Presi-

dent Jayewardene in his letter he was "particularly encour-aged that India, whose good offices were specially important, has indicated that Tamill dissident groups should consider seriously what you are offering."

A six-member delegation of the Tamil United Liberation
Front (Tulf) arrived in Colombo
yesterday for a brief meeting
with President Jayewardene About 4,000 have been killed since the Tamils — about 13 per cent of the 15m Sinhalese-dominated population — launched their war for a separate state

Mr Neelan Tiruchelvan, a spokesman for the Tamil group said the Indian Government, which is mediating, had a guarantee of the group's safety from the Sri Lankan Re_added: "We will ask for

he added: "We will ask for a ceasefire. We will also want to see Tamil militant groups involved in the political exercise to end the conflict and we want some effort from the government to include them in the talks."

Mexican poll candidate appeals for calm

Official results of the elections ties. were due late last night. They were expected to give an overwhelming victory to Mr Baeza and the ruling Institutional Revolutionary Party (PRI) over the right-wing opposition National Action Party (PAN).

Further support for the PAN's campaign to have the election results annulled came yesterday. In an unprecedented move the Catholic church has decided to suspend all religious services in the state next Sun-The PAN has launched a civil day, while the main employers' disobedience campaign in pro-

MR FERNANDO BAEZA, the dest at ballot rigging and foreign total business shut-down today. Mexican government's candidate correspondents covering the for governor of Chihuahua, appealed to the people of the huge northern state on Saturday not to let "a fratricidal holy war" develop

Official results of the classifiers

test at ballot rigging and foreign total business shut-down today. Since last Tuesday, the PAN as atisfactory measure of support has been organising sit down for the rival sides. The PRI has faced in 57 years of uninterrupted state's main towns, selective of the classifier participated instances of voting irregularing and media, and mass rallies. The PRI has faced in 57 years of uninterrupted state's main towns, selective and mass rallies. The PRI has faced in 57 years of uninterrupted state's main towns, selective and mass rallies. The PRI has faced in particular, is able to bring considerable patronage and considerable patronage and constitutions of the classifier of the rival sides. The PRI has faced in particular, is able to bring considerable patronage and constitutions of the classifier of the classifier of the classifier of the rival sides. The PRI has faced in protests in the streets of the constitution of the rival sides. The PRI has faced in protests in the streets of the constitution of the rival sides. The PRI has faced in protests in the streets of the rival sides. The PRI has faced in protests in the streets of the rival sides. The PRI has faced in protests in the streets of the rival sides. The PRI has faced in protests in the streets of the rival sides. The PRI has faced in protests in the streets of the rival sides. The PRI has faced in protests in the streets of the rival sides. The PRI has faced in protests in the streets of the rival sides. The PRI has faced in protests in the streets of the rival sides. The PRI has faced in protests in the streets of the rival sides. PAN mayor of Chihuahua, the unions, common farm land and state capital, Mr Luis H. the state bureaucracy.

Alvarez, yesterday completed 11 days of a hunger strike begun to demand clean elections.

On Saturday, the PRI organised a mass counter-raily which rivalled the PAN's turnout in the state our early.

Mr Bazza said on Saturday that the opposition had "no business calling us electoral gansters." Our votes were won lawfully, by going door to door."

Mr Barrio has called for the blockfading of the State our early. rivalled the PAN's turnout in Mr Barrio has called for the the state capital on Thursday. blockading of the State's 19 Counting the turnout for main roads this Thursday.

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Reagan appeals to Congress for backing on SDI

Defence Initiative (SDI). Fin. programme would weaken its ancing for the Starr Wars anti-ballistic massle programme is The Administration is in the expected to come under re-newed attack when Congress

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newed attack when Congress reconvenes today after the July 4 holdiay.

In his weekly radio broadcast, Mr Reagan said: "It would be tragic to permit the budget pressures of today to destroy this wital research programme."

Mr Reagan stuck firmly to his position, saying: "Our SDI research is not a bargaining chip." He argued: "It is the number of defensive nuclear missiles that needs to be reduced, not the effort to find a way to defend mankind against these missiles."

Mr Reagan's decision to make the issue of SDI the topic of his weekly radio address.

Mr Reagan's decision to make the issue of SDI the topic of his weekly radio address coincides with the return of a Congress which seems to be

Some congressional critics of the Administration's arms control negotiating strategy main shat the President's make it as difficult as possible commitment to SDI is a barrier to see on a radar screen.

PRESIDENT Bonald Reagan to progress on arms control. The has appealed for congressional Administration, in contrast has support for his costly Strategic argued that to curb the SDI

middle of interagency talks on how to respond to the latest

Nixon is expected to meet Mr Anatoly Dobrynin, the former Soviet Ambassador to Washing-ton. US officials in Moscow have denied that Mr Nixon is carry-ing a letter from Mr Reagan to Mr Gorbachev.

Congress which seems to be moving towards restraining the growth of the SDI budget.

The two congressional armed services committees, in their separate versions of the 1997 Defence Bill, proposed cutting back sharply the \$5.5hn request for SDI funding which President Reagan asked for at the beginning of the year. The dent Reagan asked for at the beginning of the year. The which has been speculatively House Committee approved \$3.7hn for SDI, the Senate special towards in numerous Press \$3.9hn,

Some congressional critics of an aircraft which does not special towards the two servers as a version of the top secret F-19 fighter. The F-19, some congressional critics of an aircraft which does not served. 3.9hn, secret F-19 fighter. The F-19. Some congressional critics of an aircraft which does not

MBB wins contract

group, Messerschmitt-Bölkow-Blohm (MBB) has been awarded

inconfirmed report in Bohn implied that the company would opticals companies, will have opticals develop the device and that a detailed test schedule would be ready by October.

MBB was probably the most lead to excessive corporate interference by beaurocrats.

THE West German aerospate Germany's first, and most group, Messerschmitt-Bölkow-public, SDI contract. Its smaller group, Messerschmitt-BolkowBlohm (MBB) has been awarded
the country's first Strategic
Defence Initiative research contract by the US Defence Department.

MBB officials said at the
weekend the SDI contract had
been signed in Washington on
Friday. Munich-based MBB has
been asked to develop an infrared measuring system for use
in space.

The value of the contract,
initially worth. DM 8.5m
(£2.67m), could increase to
DM 85m if MBB can produce a
satisfactory prototype, according
to officials in Washington. One
unconfirmed report in Bonn
implied that the company would.

Settliany's first, Sitategic
public; SDI contract, Is smaller
aerospace competitor, Dornler,
has also shown a keen interest
in the SDI research programme
but has yet to win business.
For the most, part, however,
West German industry has
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for SDI or the initiative's research contracts. There has
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SDI research programme
but has yet to win business.
How the most, part, however,
West German industry has
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space.

Many big corporations remain
uncomfortable about the effect
an association with the SDI programme
contract has also shown a keen interest
in the SDI research programme
but has yet to win business.
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World Economic Indicators

RETAIL PRICES (1900=100)

· :	May '86	April '86	March '86	May '85	bissions bissions over
us uk	132.1	131.9	132.2	130,1	+1.5
uk .	146.4	146.1	144.7	142.1	+2.8
W. Germany	120,9	120.9	121,6	121.2	-0.2
France	161.3	161.0	160.4	157.7	+2,3
italy.	201.5	200.7	200.1	189.4	+64
Belgium	142.0	142.4	141.9	140.5	+1.1
Netherlands	123.2	123.2	122.7	122.6	+0.5
apan .	115.3	715.0	1146	114.5	+6.3
				Source	Eurostat

Peking applies for Gatt membership

CHINA has applied for membership of the General Agreement on Tariffs and Trade (Gatt). Peking would take part in the last major trade negotiation of the century to begin later this year, Mr David Woods, Gatt spokesman, sald yesterday, Reuters venera from General Reuters reports from Geneva. It would be the only major

It would be the unly major communist country bound by the Gatt.

The formal aplication arrived at the Gatt secretariat in Geneva on Friday and would be presented to the 31-nation council meeting on Tuesday, Mr Woods said.

The Peking application meant China would be able to send a ministerial team to Punta del Este in Uruguay, where Gaft trade ministers are to meet, and will participate to some degree in the new trade round.

Negotiating full Chinese membership could take several years because the Gaft accord was designed for integrating free market economies and not centralised communist economies, Gatt

communist economies, Gait officials said.

China is the Intest of a number of countries seeking membership as the Gatt, which regulates 80 per cent of world trade, prepares for a new round of negotiations.

Gatt trade ministers are due to hold a week-long session in Punta del Este starting on September 15, to lanneh the talks which could take five to 10 years to comtake five to 10 years to com-

plete.

Hong Kong joined the organisation in April and, Mr Woods said, a Mexican application enters its final stage on Tuesday when a draft proposal on accession terms will be presented to the Gatt council.

council.

The oil price collapse promoted Mexico to join the Gatt before the new round. The council is expected to approve the draft protocol which would entitle Mexico. which would entitle Mexico
to become a full member
within two months.

The eighth Gatt round will
focus on enforcing deals
already struck on trade in
manufactured goods, commodities and primary,
materials, These agreements
have been badly croded by
an array of measures to pro-

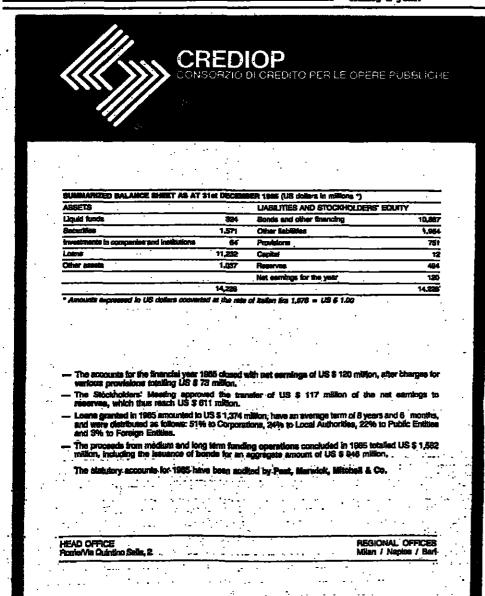
Alcan to help build aluminium **plant in China**

an array of measures to protect domestic markets.

ALCAN ALUMINIUM of Canada is to build a C\$20m the Shenzhen special economic zene in China, writes Robert Gibbens from Mon-

The venture is 55 per cent owned by China National Nenferroug Metals Industry and 45 per cent by Alcan Nikkei China. This in turn, Nikkei China. This in turn, is owned equally by Alexa Alexa Alexa associate Nippon Light Metal.

Alexa has been shipping ingut from Canada to China since the 1979s, sometimes at more than \$6,000 townes a year. The joint venture was set up at the invitation of the Chinese and the plant will have a capacity of \$.000 have a capacity of 5,000



Carla Rapoport on an unusual delay in launching an audio product

Japanese press the pause button

THE JAPANESE electronics industry seems less trigger—Philips, along with Sony, are JVC, the proportion is even industry is, for the first time in happy than it used to be: it is also the main developers of the larger. But Hitchael derives anyone's memory, delaying the beginning to consider seriously compact disc.

Less than 5 per cent of its total sales from compact disc players.

The proportion is even larger. But Hitchael derives compact disc.

Of course, industry leaders sales from compact disc players.

It would need only one compact disc players.

as a year.

The product is digital audio tape (DAT), which was to be launched this autumn by leading Japanese companies. DAT, because of its top-notch sound quality, is expected to render had

Japanese electronics companies appear to be moving from adolescence to maturity.

obsolete.

The new tape is virtually free from wow and flutter and fits into a cassette which is smaller than conventional audio cas-

Japan to raise price of

mini-excavators in Europe

Prices of Japanese miniexcavators in Europe are going
up by 10 per cent—the second
price increase thig year, writes
Iam Rodger in Tokyo. The move
reflects pressure from the
Japanese Government on producers to avoid trade friction rational Trade and Industry
with European countries.

European cose 64 per cent last
Following an EEC anti-dumping action last year against
Japanese makers of large excavators, the Ministry of Interducers to avoid trade friction rational Trade and Industry
with European countries.

(Miti) instructed manufacturers

with European countries:

Mini-encayators were developed in Japan and have become export prices. Last March increasingly popular in Europe. Miti extended this instruction Sales by Japanese companies in to mini-excayator makers.

compact discs, which are growing rapidly. If DAT were likely launch time for DAT is
launched this autumn, it would when the sales of compact discs be the first time a new product was put up against one which had not reached a stable maturity in the marketplace.

Second, the Japanese say

they expect law suits from music copyright owners over the use of DAT to record comthe use of DAT to record compact discs. Sony, for example, had to go to the US Supreme Court for clearance to sell its video cassette recorders for taping television programmes in the home.

Third, industry, executives say they are responding to pressure from Philips, the Dutch electronics group. Although Philips has denied it is pushing for a delay, Dr Masaru Yamano.

But for the first time since taking control of the world's consumer electronics industry. Japanese companies are holding back.

This development appears to indicate that Japanese electronics companies are moving from adolescence to maturity. The

vators, the Ministry of Inter-national Trade and Industry (Miti) instructed manufacturers

launch of a new product Those who want compact disc sound quality on a recordable, crasable compact cassette will have to wait, possibly for as much as a year.

The consequences of 113 actions of course, industry leaders admit that a unified stance against Philips would overcome for delaying the launch of DAT, any appeals from the Dutch First, industry executives are group. But they admit the logic nervous that it will hit sales of Philips's argument.

The consequences of 113 actions of course, industry leaders admit that a unified stance against Philips would overcome for delaying the launch of DAT, any appeals from the Dutch First, industry executives are group. when the sales of compact discs overtake those of conventional

long-playing records. Sales, in unit terms, are expected to be level-pegging by the end of this

"If Japanese manufacturers get into DAT right away, they will hurt compact discs and compact exsettes will be compact cassettes will killed," says Dr Yamano. This remark has been echoed by others in the industry. It also underlines an awareness of

wholesalers who would find it difficult to sell DAT as well as compact discs.

"People would skip compact discs and go straight to DAT.
That's no good for any of us,"
said an industry executive this
week.

Some, however, will benefit

less than others from any delay.
Sony, for example, says half its
audio sales are now accounted
for by compact disc players. For

pany to spoil the plans for delaying DAT. Indeed, Hitachi is less definite than other companies about holding back. It now says it will test market

It would need only one company to spoil the plans for delaying DAT

consciousness, however, is the individual company's bottom line. Some electronics companies are quickly shifting audio production offshore, to Malaysia or Singapore, because of the effect export margins of the yen's

committed to maintaining full employment at domestic plants
—and what better way than by
lannching a new product like

reaction to the product through surveys and industry fairs before proceeding with a launch Behind any sense of collective

appreciation.

The next six months should be interesting ones.

Canon in W. German deal to ease trade friction

CANON, the Japanese copier will stop importing copiers from maker, has bought a 26 per Japan.
cent stake in CPF Deutschland, a West German office equipment affiliate, Petras, which was one sales group, Iau Bodger writes from Tokyo. The move is partly that last year filed an antidesigned to reduce friction over Japanese copier exports to Commission against Japanese copier makers. copier makers

The main consequence of the Canon said it hoped the deal deal is that CPF will distribute would boost its sales in West copiers made by Canon in Germany, which last year France and West Germany and totalled DM 160m.

Slide in oil price brings confusion

SHIPPING REPORT

to market By Andrew Fisher,

Shipping Correspo WARNINGS ABOUT fragility of the recent rise in tanker freight rates proved justified last week when the slide in oil prices brought confusion to the market and a weakening in rates.

Demand for crude fell as buyers waited to see where oil prices would settle. Bates in the Gulf declined sharply Inquiry in the Gulf for VLCCs and ULCCs (very large and ultra large crude carriers) was poor. E. Gibson Shipbrokers London reported a drop between 10 and 15 points in rates.

Thus charterers were able to obtain a ULCC to go partially loaded with 270,000 tons to Brazil at Worldscale 342,

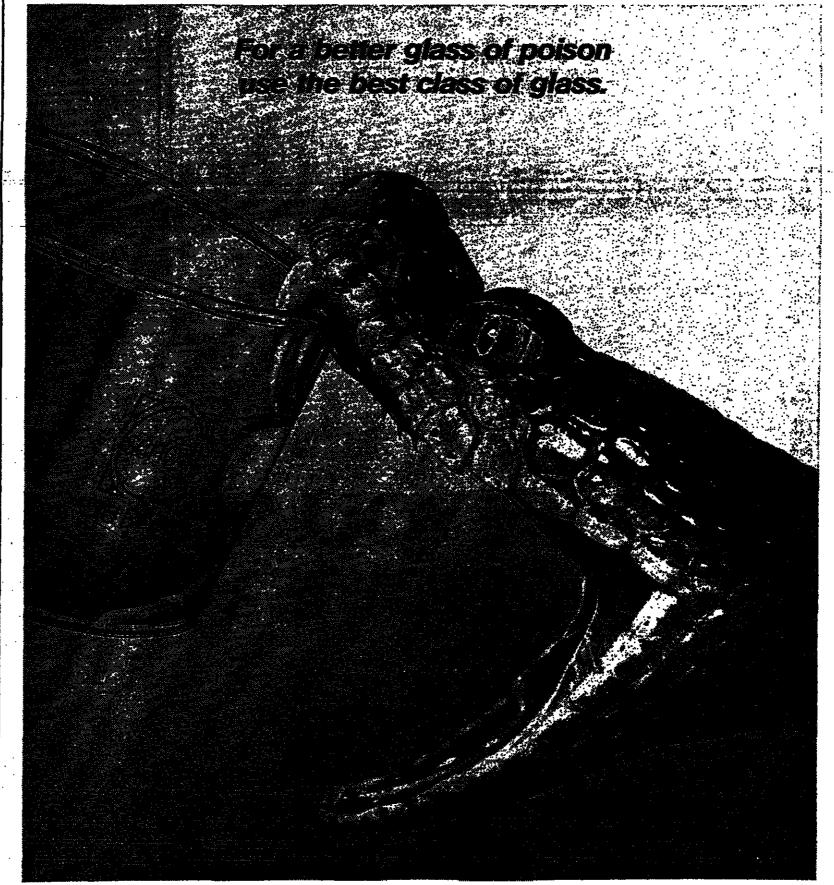
to Brazil at Worldscale 34.2, rather than the Worldscale 44.5 at which a similar fixing was made a week before.

Owners of VLCCs, between 200,000 and 300,000 deadweight tons, have to accept Worldscale 27.5 from the Gulf to the West against Worldscale 45, while the rate to the East has fallen from the East has fallen from the latest peak of Worldscale 45

the previous week to World-scale 32.5. Glbson pointed out, however, that even at present tanker rate levels, the lower bunker prices for ships' fuel

bunker prices for ships fuel gave owners a better return than they received a few months ago.

In the dry cargo market, Denholm Coates, the London broker, said: "Rates have about stabilised at appallingly less less less where low levels." Many owners wonder how they can keep their ships employed until



Duran has proved itself to be the ideal glassware for use in applications where chemical etance and absolute neutrality are ossential.

The proteins in snake poison are highly sensitive. To ensure that they are handled under sterile conditions it's essential thatthe glass is absolutely neutral. Schott can guarantee this and that is why so much Duran laboratory glassware is used in

snake farms. __ Snake poison is used to make various medical products including antidotes for snake bites. The importance of these is made tragically clear in cases where they are not available. Statistics show that more people die in one year from snake poisoning than from attacks

by other wild animals in fifty years. .Schott's extensive range of

iaboratory glasswere includes 1400 different items. There isn't a single area of advanced technology that can manage without special glass products: space and marine exploration, energy recovery or biotechnology.

Here are the facts about the Schott Group in brief: 50,000 different products, 40 production units worldwide, 300 subsidiaries and agents in more than 100 countries, annual turnover more than £500 million,

And it was all started a hundred years ago by Otto Schott, Ernst Abbe and Carl Zeiss.

. If you'd like to know more about the Schott Group and its products, write to: Schott Glass Ltd., Department FT. Drummond Road, Stafford ST16 3EL.



APPOINTMENTS

Two senior posts at the Newcastle

NEWCASTLE BUILDING SOCIETY has appointed Mr D. W. Midgley as chief executive designate. He has been with the society for eight years. Mr Allan Cowan becomes deputy chief executive designate. He has been with the Newcastle for over 20 years. Both appointments anticipate the retirement in March 1987 of Mr Phillip Langley-Essen, currently managing director of

Mr Ian Hay Davison has been appointed to the board of MORGAN GRENFELL ASSET MANAGEMENT as a non-executive director. He is a member of the council of the Institute of Chartered Accountants in England and Wales. From 1983-1986 he was a deputy chairman

How to succeed in global marketing

In all the markets we are

aware of transfer and diffusion

other marketers taken together.

All faster than manufacturers'

own brands. Involving a lower

risk and higher revenues at

brands grow faster than all

Mr Philip T. Black has been elected chairman of FACTORS CHAIN INTERNATIONAL He is managing director of Arbuthnot Eastern Production.

Mr Howard Dyer has been Factors and a council member of the Association of British

BOULTON & PAUL, a BET company, has created a new post of manufacturing director and appointed Mr Roy Hammond to the board. He was managing director of Boulton & Paul (Manufacturing). Colordent with (Manufacturing). Coincident with Mr Hammond's promotion, three executives have been appointed to the manufacturing board. They are Mr Richard Drake, engineer-ing, Mr Nick Davenport, purchas-ing and Mr Mike Miles, finance.

TUCKER FASTENERS. Birmingham, has appointed Mr Bunding as operating group. The company has named Mr Bill Patterson and Mr Andrew Peters as directors of the finance and communications director. Tucker is part of the Emhart Corporation of the US.

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DUSTRIES, part of the Williams Holdings group. He joined Williams Holdings from British Alcan Aluminium, where he was managing director of the Alcan Systems group of companies and chairman of Minalex.

Mr James Eyles has been ap-pointed BRITISH AIRWAYS director of fuel. He will join the airline on August 1. Mr Eyles, recently retired from Shell where he was corporate vice president for world aviation sales.

Mr John Loynes, Mr Peter Cooper and Mr Peter Smith have been appointed directors of CONTINENTAL REINSUR AN C E CORPORATION (U.K.). Mr Cooper and Mr Martin Haber have been appointed directors of Unionamerica Insurance Company.

ties and Mr Peters for software production.

APV AUTOMATION has appointed Mr Bill Kirkland as projects director where his prime responsibility will be to focus appointed managing director of application and research and development resources more closely on the mode of contractions. closely on the needs of custo-ners. The company is part of APV Holding.

> Mrs Linda Bellis has been appointed a director of IRPC (Legal and Personnel Insurance Services). She was general manager. IRPC is a wholly-owned subsidiary of Stewart Wrightson.

> Mr Edgar Poppleten (E. Poppleton and Son, Colwyn Bay) has been elected president for 1986-87 of the HEATING AND 1988-87 of the HEATING AND VENTILATING CONTRACTORS' ASSOCIATION. Mr John Beresford (BHP Engineering, Banbury) is the new president-elect and Mr Chris Cerbin (Virgo (Engineers), Brighton) the new vice-president.

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and young and promising

David Marsh on the tasks facing France's atomic energy commission

CEA adjusts to uncertainties

A TOP-LEVEL shake-up is work on the plutonium-burning Framatome, was previously a per cent and fuel fabrication under way at France's state fast-breeder reactor, faces question-marks because of delays in A TOP-LEVEL shake-up is work on the plutonium-burning under way at France's state fast-breeder reactor, faces question-marks because of delays in Atomique (CEA), which has presided over the country's military and civil nuclear energy build-up since the war. The moves come as the changing nature of the atomic industry is pushing the commisindustry is pushing the commis-sion towards a new industrial strategy.

The French Government decided on July 2 to appoint Mr Jean-Pierre Capron as administrator-general in charge of the nuclear energy commission, replacing Mr Gerard Renon.

The CEA had been in the driving seat of the country's post-war drive to catch up with the US and Britain in atomic energy. Now France has leapt ahead of the rest of the West wie. the world's most con-centrated nuclear programme. As a result the CEA faces the As a result the CLA lates the task of managing a formidable portfolio of nuclear-related businesses squaring up to tough international competition.

international competition.

The CEA's industrial activities, split off by Mr Renon as a separate holding company called CEA-Industrie, are start.

This compared with profits of FFr 241m on sales of FFr 23bn in 1984, and only FFr 39m on FFr 22bn in 1983. separate holding company called CEA-Industrie, are starting to produce eye-catching profits. But CEA-Industrie is also preparing for a period of uncertainty because of likely further reduction in interna-tional N-plant construction following the Chernobyl accident in the Soviet Union.

Mr Capron, 42, is an austere technocrat who for the past year has been director general of the troubled Technip plant engineering group. He owes his new post partly to the new right-wing Government's politi-cally-motivated desire to oust Mr Renon, a Socialist-leaning former adviser to President Francois Mitterrand, on the expiry of his contract.

Like Mr Renon and previous CEA administrators Mr Capron is a graduate of the Ecole Polytechnique, the elite engineering academy. He also benefits from the support of Mr André Giraud France's Defence Minister, who was head of the commission from 1970 to 1978.

Mr Capron will have to weather the Government's undoubted desire for budgetary stringency at an organisation which, for both military and civil research, absorbs FFr 16bn (\$2.3bn) a year of Government

The commission's main civil executive research programme involving company.

But Mr Capron's most challenging task—and one which fits in with the Government's free-market philosophymay well prove to be preparing CEA-Industrie for eventual entry of private shareholders.

Mr Renon's last public appearance at the end of last month was to amounce a sharp improvement in CEA-Industrie's profitability.

Linking a variety of businesses including Cogema, the nuclear fuel services group, Framatome, the reactor company, Cisi in computer services and Orls in the biomedical sector, the industrial company turned in after tax consolidated profits for last year of FFr 951m (\$136.9m) on turnover of FFr 28.3bn.

CEA-Industrie made an approach to the investment community at the end of last year for FFr 500m through the issue of titres participatifs (non-voting loan stock) convertible into certificats d'investissement (non-voting shares).

This conversion mechanism offers a clear route for the CEA's flagship company to open its equity base to private shareholders in coming years. The inherent uncertainties over-hanging the nuclear business would increase the speculative flavour of any such capital market operation.

But Paris stockbrokers believe the present profitability would be bound to attract would be bound to attract investor interest. The group's cashflow last year was at FFr 7bn the highest for any French company apart from the EH and Total oil concerns.

CEA-Industrie's profit before tax last year totalled FFr 2.13bn, a sharp jump from FFr 363m in 1984.

One important reason for the

Renon and Mr Jean-Claude Leny, the tough-talking chief executive of the reactor

commission after the heavy

stake has been cut to 35 per cent and Compagnie Générale d'Electricité, the state-owned



the right-wing governmen to implement a new industrial

group, brought in as main shareholder with 40 per cent, with Dumez, the construction group and Electrité de France also taking stakes.

But the downfall of Creusot-Loire gave the CEA a double windfall. For the first 10 months of 1985, it was able to fully consolidate Framatome's healthy earnings (a net FFr 656m over the whole of the year). Additionally the sale in year). Additionally, the sale in January of 65 per cent of its Framatome stake, at a price believed to have been around FFr 700m, will boister revenues for 1986.

One important reason for the earnings leap came, ironically, from the performance of cent of the total CEA turnover framatome—a company which in 1985 was at the centre of a bitter dispute between Mr controls about 20 per cent of processing to the controls about 20 per cent of processing to the controls about 20 per cent of processing to the controls about 20 per cent of processing to the controls about 20 per cent of processing to the controls about 20 per cent of processing to the controls about 20 per cent of processing to the controls about 20 per cent of processing to the controls about 20 per cent of processing to the controls about 20 per cent of processing to the control of the co non-Communist world produc-tion—made up 26 per cent of over the industry, the turnover, uranium enrichment aims to stay ahead in the 47 per cent, reprocessing 24 national nuclear stakes.

CEA and Creusot-Loire. It Part of Cogema's heady became wholly-owned by the growth last year came from the commission after the heavy sharp rise in the dollar. This engineering group was put into edge against the US Department of Energy in uranium enment of Energy in uranium en-Since January this year, richment for light water reac-Framatome's capital structure tors (LWRs), which is carried out at the multinational Eurodif plant on the Rhône in which

Cogema has a majority stake. However, an important source of profit remains Cogema's re-processing plant at La Hague near Cherbourg on the Nor-mandy coast. This is the world's only commercial facility for only commercial racting for separating spent nuclear fucification. LWRs into potentially-reuseable plutonium and uranium, together with radioactive waste products.

The plant is now operating at its full 400-tonnes-a-year capaby foreign utilities, led by those from West Germany and Japan.
They pay on a cost-plus basis
for reprocessing services. This
is believed to give Cogema a
10 per cent profit margin.

Additionally, Cogema benefits from large cash advances by foreign utilities to finance a considerable portion of a FFr considerable portion of a FFr 50bn investment programme that will quadruple La Hague's capacity by the beginning of the 1990s. The funding method negotiated by Mr Giraud in the 1970s gave Cogema FFr 18bn in advances in hand at the end of last year—up from FFr 14bn at end 1984—making an important contribution to its FFr 42bm net investment earnings. 420m net investment earnings.

Mr Francois de Wissocq, the Cogema chairman, has warned that the nuclear industry is entering a difficult period. He is clearly trying to avoid the im-pression that Cogema's profits can go on growing indefinitely.

However, the company has the clear advantage over inter-national competitors such as British Nuclear Fuels, in being able to offer utilities a comprehensive range of services.

Mr de Wissocq has pledged that Cogema will make a prior-ity of Sexibility in coming years. Combined with France's un-doubted technological expertise in the sector, this is a sign that, whatever the present clouds over the industry, the CEA aims to stay ahead in the inter-

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Code for union ballots 'needed to curb abuse'

THE GOVERNMENT should intro- Mr Graham says such a code duce a code of practice on trade - should deal with the following isunion workplace balloting to curb malpractice and reduce the influ-

eporten

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-

igan bad

en Stoke

Mr Graham's call gains particular force because of his own position. He takes over today at the joint management-union Industrial Society after leaving on Friday his post as general secretary of Britain's largest civil service union, the Civil and Public Services Association

His move to his new job led to the controversial CPSA election that saw Mr John Macreadie, a support-er of Labour's far-left Militant Tendency, elected in a workplace ballot by 121 votes over his rightwing opponent. Challenges to the ballot culminated in a High Court action before the weekend, which will be resumed today.

ment in his new job, which he hopes to make both more controversial and more linked to industrial policy-making, makes a direct con-nection between recent events in the CPSA and his call for a code of

He says the voting provisions in the Government's 1984 Trade Union Act have led to an "enormous growth" in workplace ballots, which has been welcomed by most respon-

election of my successor raises is whether workplace ballots can ever be run in a fair manner." He says: "As recent experience both in the CPSA and some other unions shows, the weakness of workplace ballots is that they allow lay activists a disproportionate influence in

Having made unions hold more ballots, the Government should employers and unions to produce a code of practice to guarantee fair-

ESTIMATES PRODUCED from the

returns of the business units of

Lloyd's the London insurance mar-

Lloyd's are grouped.

Facilities provided by employers

ence of union activists, Mr Alistair for ballots;

Graham, the new director of the Industrial Society, says today.

The state of the st wide geographical areas;

Controls on the voting advice from political groups operating

within unions: • A fair procedure for handling post-result complaints.

Although the currently large number of ballots requires "urgent action", Mr Graham doubts if the nment will move quickly mongh on producing such a code. So he intends to bring employers and unions together under the In

dustrial Society's auspices to try to draw up a "clear, voluntary" code that could become the basis of a national code introduced by ministers.

Mr Graham couples his call, which accords with previous policy statements from the Society, with a sharp attack on Mr Macreadie's election, which he says will "guar-antee CPSA a further period of divi-sion and internal strife it could well

● The Trades Union Congress (TUC) will be told this week that its plans for keeping secret individual ballots in union affairs, which it has agreed with the Labour Party, would break a convention of the International Labour Organisation, writes David Thomas, Labour Staff.

That coincides with the tabling by two unions for debate at the TUC Congress in September of resolu-tions hostile to the principle of com-pelling unions to ballot members. Labour Party leaders believe that their electoral prospects depend on their clearly backing that principle, first introduced in the 1984 Trade

Editorial comment, Page 12

Lloyd's profit may accelerate

on higher premium rates

Peter Riddell looks at plans to redefine the public sector

Labour maps its social ownership route

WIDE-RANGING plans for chang- Strategic stakes, sufficient to es-Party's home policy committee he such as the Royal Ordnance facto-fore being submitted to the party ries, naval shippards and dockconference in the autumn.

the 1990s", has been prepared by a group under Mr John Smith, the party's trade and industry spokes-man, and Mr David Blunkett, the leader of Sheffield City Council and a prominent member of Labour's

The starting point is the recognition that "popular support for social ownership must once again be won" and that "the failure of public ownership does not lie in being too radical but in not being radical enough – a failure which this state-ment recognises and, for the first

The draft paper sets three prioriareas for social ownership: The utilities, such as telecommunication nications, gas and water, will be 100

ing the structure of the public sectablish control, varying from a mammake full use of the shares in utilitor and its relations with private in- jority shareholding in some cases to ties already held by the Governdustry, including taking over controlling stake, sometimes as ment, at present 49 per cent in the trol of British Telecom (BT) will today be considered by the Labour will be taken in defence suppliers,

As a second stage, legislation yards, in oil via a new publicly

via stakes in British Aerospac Rolls-Royce (by acquiring a limited proportion of class A voting shares to confer majority control); in steel, shipbuilding and key manufactur. Ac

British Gas. The paper argues: "A

As a second stage, legislation would be introduced to bring key companies into full social ownership. The paper dismisses the op-The 50-page-plus draft, entitled owned company to link control over tion of buying back BT shares be-Social Ownership - A Vision for oil and gas reserves; in aerospace cause it would be too expensive. Instead, all BT shareholders would be period after issue although the unrequired to exchange their voting shares for new non-voting securi-

> Accepting that not all investors in be established to provide loan fi- term investment in those indusnance and there will be a publicly owned clearing bank called the People's Bank consisting of the Trustee Savings Bank, Giro Bank and National Savings as a basis, together with local people's banks.
>
> The most controversial proposals relate to BT and, if privatised, to British Gas. The nance argues: "A

British Gas. The paper argued Labour government can only be sure of 100 per cent control if utilises are 100 per cent owned. Minorises are 100 per cent owned. ties are 100 per cent owned. Mimority shareholders will increase through ty shareholdings would inevitably time. Those shareholders who are be exploited to impede progress."

period will, therefore, make no speculative gains from investing in BT. Only those who are so prepared will benefit from the growth of the

will be issued by BT itself without government guarantee and devised so that BT keeps its financial independence. Shareholders will be able derwritten price will be no greater than the BT flotation price.

benefit from increases in capital ing sectors.

BT have made speculative gains, value will be able to choose to do so, and wanting to encourage long-while other long-term investors who wish to benefit from income

> to benefit from increases to capital value. These securities will be similar to National Savings Certificates, their price increasing gradually through time. Many institutions opt for securities whose income is

"In offering a range of new kinds of securities, Labour will increase the options open to pension-fund managers, while making sure that speculators go unrewarded. Only those prepared to make a long-term commitment to BT will be able to secure a fair return."

Outside the utilities, the pape proposes a wide range of social ownership - British Enterprise will be set up to belp start and stimulate activity in key sectors; local enter-prise boards will be able to take panies will be given new freedoms to diversify, and co-operative and common ownership will be encou-

The accounts of all public corpor of central and local government Those industries will be freed from external financing limits and they will be able to raise private money by borrowing, provided that they re main within the legal limits laid down by parliament. They will also steady in the first few years and then increases thereafter; such secsuing non-voting securities.

Surveyors vote on break with tradition

By Andrew Taylor

BRITAIN'S 55,000 chartered surveyors will decide today whether to change their rules and allow members of their 194-year-old profes sional body to become public quoted companies or subsidiaries of larger

The vote by the Royal Institution of Chartered Surveyors has important implications for the fina services revolution. The tule changes would allow commercial and residential estate agencies greater freedom to issue shares, to and to merge with other businesses Under the present rules, mem-bers may issue no more than 25 per shareholders and may not become limited or unlimited companies unless they comply with strict requirements, seek the institution's permission and have at least

C25,000 issued share capital. Partners of firms that have merged with larger groups may not be directors of the merged businesses and remain members of the agents are unlimited-liability part-nerships, which means that each partner's total personal assets are iable for claims made against the

Mr Paul Orchard-Lisle, the institution's retiring president and a se-nior partner of Healey & Baker, a leading firm of commercial agents, says: "Businesses like ours are fac-ing increasing competition from the like valuation and portfolio management. We need to be free to raise capital and respond to com-

petitive pressures.

The rule changes are equally important to small provincial agencies which are trapped within the circle of unlimited liability and face increased competition, particularly on chains."

The outcome of today's vote is by no means clear. The institution exwere cancelled, however, and most of the marches in 19 centres across the province took place peacefully.

pects opposition from members who strongly support the traditional values of unlimited liability

Government to loosen clamp on local council spending

tory backing for ballots breaks an ILO convention that gives unions the right to draw up their move to put central forecasting of town hall spending on to a realistic

> Margaret Thatcher, the Prime Mina general election.
>
> Mr Nicholas Ridley, Environment

Secretary, will make a preliminary ent of the 1987-88 rate support grant (RSG) settlement on

The 786,000-strong National and Treasury ministers have decided ernment intends to adhere to its of which are on the present year's to raise the public expenditure overall planning total of £144bn for list of 12. iblic spending in 1987-88 in spite

> footing.
>
> In addition, ministers, led by Mrs
>
> Margaret Thatcher, the Prime Min
> Marga ister, are anxious to ensure very budgeted expenditure plus the fore-low local rate (property tax) rises cast 3% per cent rise in inflation. They started to improve the system this year by abandoning the system next spring, which may possibly be • The proportion of current ex- of expenditure targets and penalpenditure funded by central governies.

ment grant will be cut back no furlevel of just over 46 per cent.

MORE THAN half of next year's Tuesday of next week. Final ap\$\text{cap-cb.3}\$ the Government through rate-capproval for the shape of the 1987-88 ping. Early thoughts about rate-capping more than 30 councils have day's Cabinet meeting, which is exthorities.

Tuesday of next week. Final apthe Government through rate-capping. Early thoughts about rate-capping more than 30 councils have
day's Cabinet meeting, which is exthorities.

of the extra £3.4bn for councils.

The two key points in the RSG cal problems arising from enors we impose what critics regard as unrealistic, arbitrary and disruptive realistic, arbitrary and disruptive

This year's budgeted expendither but will be held at this year's ture, which is £2bn above public level of just over 46 per cent. spending plans, is now to be accept-Once again a few councils will ed as the base expenditure level for have their expenditure limited by

Ulster police accused over march tactics

THE GOVERNMENT yesterday ics live in Garvachy Road and huge claimed success in averting a seri-ous confrontation with Loyalists during Saturday's July 12 parades in Northern Ireland. Nationalist politicians, however, angrily de-nounced the compromise by police, which defused the situation, as a climbdown in the face of Loyalist

ry that the Royal Ulster Constabu-lary agreed to let a local Orange Order parade in the County Armagh town of Portadown to march down the Garvachy Road as an alternative to the traditional route through

antly Roman Catholics Obins Street on the ground that it was

numbers of police and British troops were deployed to prevent vi-Protestant celebrations of the vic-

tory of William of Orange over the Roman Catholic King James in 1890 continue with more marches today, but police hope the worst threat of violence is over. Serious rioting broke out in Por-

tadown and elsewhere, mainly by Loyalist youths, both before and after the marches, which this year became a focus for protests against the Anglo-Irish accord giving Du-blin a voice in the affairs of the down called for by the Rev Ian Paisley and other Protestant leaders were cancelled, however, and most

Callender Street, Belfast, BT | 5BN; or at any office of The Stock Exc

Attention is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the condutions under which, this Loan is issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any consistent or

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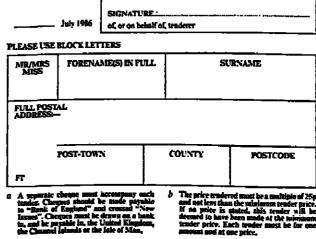
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week, Peter Riddell writes. 1983 are ones on the i 1902 170 75 22* Swan Hunter on Tyneside).

The estimates have been prepared by two groups of Lloyd's un-derwriting members, who have sur-3.061 veyed a significant number of the returns of the near-400 syndicates into which the 29,000 members of Source: Association of Lloyd's members

One survey has been produced by the Association of Lloyd's Memthe motor insurance and aviation suitable level to provide underlying
bers, a group formed to protect the markets and substantially inunderwriting profits. rine or general insurance market, with the marine market gives which has faced large insurance claims from liability business.

Of the 20 000 members of Louise.

The trends are different in the nonbers of Lloyd's, while the other survey has been produced by Chatset, a company organised by a group of

Lloyd's underwriting members.

The latest figures Lloyd's will report are those for the 1983 underwriting account. Lloyd's leaves its accounts open for three years to measure more accurately the extent of insurance liabilities on its insurance policies - an accounting method that also provides consider-Lloyd's will produce its official returns in the autumn. But, according to the Association of Lloyd's Mem-

bers, which has surveyed 357 syndi-cates, or 90 per cent of the total, Lloyd's should show a profit of up to The returns produced by the association suggest that the improvement has been achieved by significant increases in premium rates rather than by any significant underlying increase in the volume of business.

According to the association, the sharp improvement in profitability has been achieved on an increase of only 13 per cent in the volume of business that Lloyd's insurance syndicates are allowed to accept. The association argues that the results will reflect sharply increased profits from the marine in-

surance market, lower profits on

PORTABLE ΔIR CONDITIONING WHEEL IN -PLUG IN LONDON SOUTH D1 683 2700 1 903 0081 1 903 0081 **WALKARDA** Nationwide in

ket – the underwriting agents – suggest that it will produce significantly better results for its latest reporting year. Its last published annual profit was £57m. 139

creased losses in Lloyd's non-ma-

Of the 29,000 members of Lloyd's, only 21,601 will be entitled to a share of the prosperity of the 1983 underwriting account. Unlike inves-tors elsewhere, individuals who join Lloyd's have to wait until a three-year account is closed before they receive a cheque. The members who joined after 1983 will have to wait for the returns from subsequent accounts before they receive

A closer examination of the figures in the two unofficial studies shows that the fortunes of the Lloyd's underwriting membership will vary considerably. For ining capital made by a Lloyd's mem-

Yet an insurance syndicate tak-ing on general insurance business the beginning of the 1963 under-in the non-marine produced writing year will be bearing the cost Yet an insurance syndicate taka loss of £11,247 for the same size of of the underwriting ventures of past

London insurance markets, Lloyd's bership of Lkoyd's will have to bear insures about 40 per cent of the world's shipping fleets. While shipping activity may be considerably less than it was in the past, Lloyd's

The long historical association

marine market. To increase premium volume to the Lloyd's market, and thereby increase the possibility of earning substantial investment returns on the premiums, professional Lloyd's underwriters have over many years been seeking to accept risks that have a longer payout period on claims than conventional insurance

Along with other insurance mar-kets, Lloyd's entered into liability insurance in a aggressive way, cut-ting premium rates to secure business. Large court cases against clients of Lloyd's in the US in liability cases led to equally large claims against underwriters, however. The results of Lloyd's involve-

ment in liability insurance business will be felt for many years to come. The 1,700 underwriting members of Lloyd's who are entitled to a first cheque from the market because

In an effort to reduce its losses. There are several reasons for such divergent trends. Lloyd's holds a dominant share of the marine in rolled them over into the new unsurance market. Together with the derwriting accounts. The new mem-

Association of Lloyd's Members: Syndicate Results, available from Lloyd's Lime Street, London EC3M and the London companies work closely together to ensure that.

Ligya's Lame Street, London ECIM 7DQ, Lloyd's, League Tables Available from Chattet, Bridge House, closely together to ensure that. 181, Queen Victoria Street London premium rates are established at a ECIV 4DD.

omplimentary copies of the Financial Times are now available to clients of Heli-Air Monaco.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

MPs face busy run-up to summer recess

THE GOVERNMENT and the House of Commons face a hectic 10 days of announcements and decisions before MP's leave for the summer recess at the end of next

Among the statements expected Type 23 frigates, each costing £120m, for the Royal Navy (two to Yarrow on Clydeside and one to The full Cabinet will have its

usual mid-summer discussion on the economic and public-expenditure outlook on Thursday morning, when local property tax grant sup-port details will be confirmed. The Government also has to de cide on its attitude to House of

Lords amendments to a number of bills before they are reconsidered by the Commons. Among those still awaiting final consideration are measures on gas, social security and dockyard services.

Before start of the recess, Mrs Margaret Thatcher, Prime Minis-ter, and her close advisers are ex-

pected to face tough criticism for their handling of the Westland affair in January from the Common select committee on defence. A report by the committee on the controversial leaking of a letter from the solicitor-general will criti-cise not only the ministerial partici-

pents but also Mrs Thatcher's Downing Street staff and, particu-larly, Sir Robert Armstrong, the Cabinet Secretary and head of the Home Civil Service. ☐ THE BANK of England is expected shortly to announce new liquidi-ty rules for banks operating in the UK. Consultations are understood

to be in their final stages. New rules are needed because of the planned phase out next Septem-ber of the system of "chub money" under which banks are required to hold a proportion of their liabilities with the discount houses. That is a minimum of 2% per cent, and an av erage of 5 per cent. Club money is being removed as part of the overall restructuring of the UK financial

[] ATTITUDES of the public to wards finding a mortgage have been transformed over the last few years, according to a survey and an-alysis of the mortgage market to be published this week by Mintel, the market research company. Only 11 per cent of the public now

say that they would just go to build-

ing societies for a mortgage without checking on whether banks and other institutions are offering better terms. Until 1980, the building

societies enjoyed a near monopoly of the private sector market. ☐ UNEMPLOYMENT among mar ried men is much higher in Britain than other leading European countries, the Family Policy Studies Centre says. It puts the 1985-86 unemployment rate for married men aged 2549 as 8.4 per cent in Britain, compared with 2.9 per cent in France, 3.5 per cent in West Ger-many and 1.3 per cent in Italy.

TENDERS MUST BE LOOGED AT THE BANK OF ENGLAND. NEW ISSUES LI, WAYJING STREET, LONDON, ECAM 9AA NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 18TH JULY 1986. OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON TUESDAY, 1STH JULY 1986. ISSUE OF £900,000,000

MINIMUM TENDER PRICE £94.50 PER CENT

8½ per cent TREASURY LOAN,

On Monday, 18th August 1986 INTEREST PAYABLE HALF-YEARLY ON 16TH JANUARY AND 16TH JULY

This Loan is an investment folling within Part II of the First Schedule to the Trustee Inve admitted to the Ulficial List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are numerised to receive tenders for £200,000,000 of the above Loan; the balance of £100,000,000 has been reserved for the National Debt Commissioners for public funds under their management.

BANK OF ENGLANDON

The principal of and interest on the Loan will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the Datted Kingdom.

The Loan will be repaid at par on 16th July 2007. The Long will be issued in the form of stock which will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in serving in accordance with the Stock Transfer Act 1903. Stock registered at the Bank of England held for the account of members of the Central Gills Office Service will also be transferable, in multiples of one penny, by except transfer in accordance with the Stock Transfer Act 1982 and the relevant subortinate legislation. Transfers will be free of storage duty.

On or after 16th January 1987 stock may be exchanged into bonds to bearer which will be available in denominations of £100, £200, £500, £1,000, £500, £10,000 and £50,000, Bonds will be free of

Interest will be payable half-yearly on 16th January and 16th July. The first interest payment will be made on 16th January 1987 at the rate of £3,7108 per £100 of the Loan. Warrants for interest on stock will be transmitted by 008; mecome tax will be deduced from payments of more than £5 per annuar. Interest on bonds to bearer, less income tax, will be paid by coupon. Stock and bonds of this issue and the interest payable thereon will be exempt from all United Kneptons transco., present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons whe are neither domacaled nor ordinarily resident in the United Knepton of Great Britain and Northern Ireland.

Further, the interest payable on stock or bonds of this issue will be exempt from United Kingdom income san, present or future, so long as n is shown that the stock or bonds are in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.

income tax.

Applications for exemption from United Kingdom income tax should, in the case of inh stock, he made in such form as may be required by the Commissioners of Inland Revenue bond coupons will be paid without deduction of United Kingdom income tax if accompa a declaration of ownership in such form as may be required by the Commissioners of Revenue. The appropriate forms may be obtained from the Imperior of Forcing Dividends Revenue, Lynwood Road, Thames Ditton, Surrey, K.T. ODP.

acevenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.

These exemptions will not entutle a person to clause repsyment of tax deducted from interest unless the claim to such repsyment is made within the limit provided for such clauses under mome tax law, under the provisions of the Taxes Management Act 1970. Section 43 (1), no such claim will be outstade that time bunk if it is made within six years from the date on which the uniterest is payable. In addition, these exemptions will not apply so as to exclude the interest from any computation for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to prevening avoidance of taxation by persons will not be exempt from income tax where, under any such provision, it falls to be resided for the purpose of the lincome Tax Acts as secone of any person readent or endirently resident in the United Kingdom.

Tenders passet be bedged at the Bonk of England, New Issues (J), Walling Street, London, EC4N, 9AA not later than 18.99 A.M. ON WEONESDAY, 16TH JULY 1996, or at any of the Brancher of the Bonk of England or at the Glasspow Agency of the Bank of England not have than 3.39 P.N., ON TUESDAY, 15TH JULY 1996. Enders willing be preveable between 10.00 a.m. on Wednesday, 16th July 1996 and 18.00 a.m. on Monday, 21st July 1986. Each tender must be for one amount and at one price. The minimum price, below which fenders will not be accepted, is 194,50 per cent. Renders must be made at the minimum price or at higher prices which are untainless of 259. Tenders lodged without a price being stated will be decared to have been made at the minimum price.

never need many to be transmission to be a separate character of the North Administration of the North Administration of the Country and the Loss tradered for must accompany each leader; cheques must be drawn on a bank in, and be payable in, the United Kingdon, the Channel Jalands or the Isle of Man. Tenders must be for a minimum of £180 of the Loan and for multiples of the Loan as fall Amount of the Loan tendered for

£100—£1,000 £1,000—£3,008 £3,000—£10,000 £10,000—£50,000 £50,000 or greater Her Majesty's Treasury reserve the right to reject any tender or part of any tender and may therefore allot to geoderecs less than the full amount of the Loan. Tenders will be ranked in descending order of price and allotments will be made to tenderers whose tenders are at or above the lowest price at which Her Majesty's Treasury decide that any tender should be accepted (the allotment price), which will be not less than the minumum tender price. All allotments will be made at the allotment price tenders which are recepted and which are made at prices above the allotment price will be allotted in full; tenders made at the allotment race may be allotted in full; tenders made at the allotment price may be halance of the Loan not allotted to tenderers will be allotted at the allotment price to the Governor and Company of the Bank of England, Issue Department.

and Company of the Bank of Engand, 18800 Department.

Letters of allotment in respect of the amount of the Loan allotted, being the only form in which the Loan may be transferred prior to registration, will be despatched by post at the risk of the tradency but the despatch of any letter of allotment, and any refund of the balance of the appoint part as deposit, may at the discretion of the Bank of England be withheld until the tenderer's chemic has been paid. In the event of such withholding, the tenderer will be mortified by letter by the Bank of England of the acceptance of this tender and of the amount of the Loan affocuted to thin, subject in each case to payment of his cheque, but such motification will confer no right on the senderer to transfer the amount of the Loan so allocated.

No allocatest will be made for a less amount than £100 of the Luan. In the event of partial allotatest, the balance of the amount paid as deposit will, when refunded, be remitted by cheque despatched by post at the risk of the tenderer; if no allotatent is made the amount paid as deposit

Credit and the quickening pace of change

THERE IS nothing wrong with the slow pace of British business legis- as book debts for sold goods; lation. It is entirely our own fault if we do not live long enough to notice any progress. .

But there is some hope even for those of us who do not have another 100 years to live. The Department of Trade and Industry last week published a consultation document on security over property other than land by Professor Aubrey Diamond. It invites comments by October 1, and "informed circles" would have us believe that as soon as Prof. Diamond prepares his final recommendations, the Government will start to draft a bill.

Perhaps the mandarins feel that they can do it now without being accused of indecent haste, having rejected the Crowther Committee recommendation in 1973, and allowed 10 years to pass since the negation in 1973, and allowed 10 years to pass since the Romalpa judgment of the Court of Appeal drove a coach and horses through the medieval debris of this area of the law.

Pawnbrokers

assumed that the pawn was banded over to the creditor. This is still, essentially, the law in Scotland, In England, the needs of industry and com-merce led to additional forms of security enabling the manu-facturer or trader to keep the pawned goods and to use them as equipment in his business, or to transform them into pro-

ducts and to sell them.
The Victorians introduced the floating charge which met these requirements, enabling the financier to be secured on

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and to "crystallise" this revolving mass at the time when the creditor decided it was necessary to realise the security in order to get back

The floating charge was intro-

duced in Scotland in 1961, but

there was little other change in that jurisdiction where the actual possession of the pawn is still supreme. By contrast in England, there is a bewildering multiplicity of various forms of securities which all have an identical economic function but quences according to the form chosen—an excellent thing for lawyers who are indispensable for drafting the right sort of documents but rather a regrettable state of affairs from the

businessman's point of view. The pawnbrokers' rule which requires the security to be physically handed over had, of course, a rational basis. It avoided pawning the family silver to two or three different people at the same time, as only one could take possession. The continental legal systems, Gerable securities for credit developed from the practices of pawnbrokers: these critical tegal systems, German and French in particular, tried to overcome the problem of handing over securities to the of handing over securities to the creditor physically by creating the "good faith" rule. According to this, the creditor can make use of the security only as long as he acts in good faith: if he suspects that someone else has been given a security in-terest over it before him, his claim will collapse.

US system

WE WERE DELIGHTED WHEN WE

GOT OUR CLIENTS INTO A PICKLE.

whether the good offered as security or for sale are unencumbered by other people's security interests. The Article solution is extremely flexible as in practice it achieves the same result as an English floating charge, namely the use of the security in the process of transformation from raw material into book debts, but without depriving the later supplier of a prior claim to the purchase price of the goods which he has delivered. A Romalpa type of retention of title achieves the same but with-

out letting other creditors know

as there is no system of registra-

The security rules of the US Uniform Commercial Code had been in satisfactory operation for some decades and they were adopted and further improved by several Canadian provinces. It was therefore, hardly surpris-ing that the Crowther report used Article 9 of the Code as its model for a new legal structure designed to replace the bewildering diversity of English security law, which often makes it necessary to use misleading names in order to achieve the desired effect. For example, a hire purchase agreement has nothing to do with hire, but everything to do with instal-ment sales, the "hire" had to be brought in in order to provide for the repossession by the seller of goods for which the instalments were not paid.

The Government accepted that the existing law caused difficulties, but opted, as gov-ernments do, for the devil it knew. That was in 1973. Some years later the recession and the wave of insolvencies demonstrated for all to see that the Code of the US provides a better solution in its Article 9. It created a simple system of the banks could use the floating the banks could use the floating the financier to be secured on registration which enables the charge to sweep clean the resi-the revolving assets of the creditor seeking security, or a due of the failing businesses, debtor, including equipment, potential buyer, to find out suppliers and contractors were

vencies had a domino effect. The Cork Committee on Insolvencies acknowledged that the nsolvency problems were only part of a wider problem of credit law and came down firmly in favour of the Crowther recommendations.

In 1983, 10 years after the rejection of the Crowther recommendations by the Government, Prof Roy Goode, one of the report's authors, was able to add a string of new examples to the criticism of the existing These illustrated the conflicts between secured creditors and creditors benefiting from a reservation of title, as well as the consequences of the rule giving priority to the last buyer of debts which may have been fraudulently sold more than once — a rule taking the bottom out of all security of fac-toring and thus depriving small bysinesses of an easy way of converting credit sales into cash sales.

Rational law

Financial Times, first in this column on November 3 1983 and on the following day in a leading article, which formulated what should be expected from a rational law. First, that it should regulate uniformly all transactions which have the same substance, irrespective of form. Second, that there should be a simple filing system from which potential creditors could discover at a glance all the previous charges on the assets which they consider as possible security. It should be possible cover a composite inventory a single entry, and it could he left to searchers to obtain further details from the secured party. Such a registration system would remove the present uncertainty about priorities and protect the bona

The case was taken up by the

left empty-handed, so that insol- fide creditor against prior up published charges on the assets Third, the law should ensure that the debtor receives any surplus remaining in the bands of the creditor after the reali-sation of the security. There should also be no unjust en-richment of one creditor at the

expense of others. The Financial Times in 1983 urged the Government to follow the US model and to accept the Crowther Committee recommendations. It seems that, having pondered this advice for two years, the Minister of Corporate and Consumer Affairs in the Department of Trade and Industry asked Prof Diamond, a former Law Commissioner, to examine again the need to alter the law relating to security over property other than land. Well aware of Scottish objec-

tions to the Crowther proposals, Prof Diamond asked Mr A. J. Sim, a former member of the staff of the Scottish Law Comstaff of the Scottish Law Com-mission, and a distinguished panel of Scottish experts to assist him. His consultation paper invites views on a great number of questions, of which many boil down to one: should we have a uniform system for the UK, or should Scotland be left to go its own traditional and highly impractical way?

Of course it would be much better to have one system for the whole country. Indeed, some people might think that it would do no harm, but much good, if the UK adopted the Uniform Commercial Code of the US, lock, stock and barrel. But if Scottish lawyers stick to their guns, it is better to have a reformed system in England a reformed system in England and Wales than nothing at all.
"Security over Property other than Land," consultation document by A. L. Diamond. Department of Trade and Industry, Companies Division, 10-18, Victoria Street, London Sw: tree of charge SW1, free of charge.

Eurobond traders defer efforts to agree new dealing rules

BY ALEXANDER NICOLL

layed until the autumn attempts to agree on a controversial set of selfregulatory rules governing dealing

Their failure to approve rules proposed by an organising committee illustrates the difficult task that will face the UK authorities as they apply a new self-regulatory framework to London securities marke under the Financial Services Bill now before the House of Lords.

A meeting on Friday last week of some 120 firms that regularly make secondary-market prices in Eurobonds did, however, give general support to the principle of setting new rules, if only to avoid having regulations imposed from outside as the new UK investor-protection

The proposals are to be redrafte and put before the market makers again in September. The committee that drew them up was formed under the aegis of the Association of International Bond Dealers (AIBD), which expects to be recognised as an investment exchange in the new UK structure.

Mr Tom Beacham, of the Canadian securities firm Wood Gundy, chairman of the market-make committee, said the committee had set its sights high in aiming to have the rules approved on Friday, but that the meeting had made a satis-factory start. "We have achieved a degree of agreement which we hope

he said.

The secondary Eurobond market had a turnover of \$2,200bn in 1985, Its growth to such large proportions has led to a feeling among many market makers that, irrespective of the new UK legislation, they should have minimum standards among themselves to govern basic practices such as trading hours and price disclosure.

"We are trying to create a framework of discipline within the market so that if I want to do business at 4.15 pm on a Friday, I have got a plaints would agree to indep better chance of doing it," Mr Beacham said.

The proposed rules, however, have served to emphasise the divisions and sensitivities within an unregulated, cross-border market. Firms on the European continent oppose what they see as submitting the whole market to UK-inspired rules. Even more controversial, the proposals represented a new attempt by some traders to restrict the activities of inter-dealer brokers, who, many traders believe,

Friday's meeting rejected proposals that the identities of parties to deals done enonymously through brokers should be disclosed to each other before the end of each day.

Instead, it adopted a proposal trading and closing prices.

EUROBOND trading firms have de- to consolidate at the next meeting," from the floor by Mr Stanley Ross. a managing director of Desiseha Bank Capital Markets, that brokers should be subject to inde of which it is estimated that at least audits, to ensure that they are do 75 per cent went through London. ing business only between market

> Later on Friday, that proposal was put to a group of brokers. Mr. Beacham said the brokers agreed to it in principle, and that the market makers promised to come back with firm proposals.

> If a system were devised under which brokers subject to comassessment of their business, it would be an important advance concluding a decade-old continues

The overall outcome of Printy's larger meeting was that each mar-ket maker was asked to submit its opinion in writing on each separate rule being proposed. None of the specific rules was formally ap-proved, and the whole package will

The proposal would set up a counmake prices to end-investors in-stead of simply acting between day's meeting that wished to belong. They would agree on the hours during which they would make prices, minimum lists of bonds quoted, and to whom they

GM closes outlets gap in sales race

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS (GM), the that has been a good indicator of Rover's franchised ear network was the strength of a dealer network. reduced by 10.11 per cent to 1,120. According to the latest survey of franchise vehicle networks by the Sewells International motor trade consultancy group, the two US-owned groups remain well ahead of other manufacturers in the UK,

with 521 cars sold per outlet for Pord and 516 for GM last year. Austin Rover, the subsidiary of

Sewells says there was a marked chised network went up in amount of from 37 to 82, while the Japanese franchised car outlets last year company Suzuki put on 18.75 per from Sewells International, 1 compared with 1984 – a drop of 42 cent by growing from 80 to 95 out Queen Square, Buth, Avon, EAI lets. Sewells says there was a marked

Vanxhall-Opel group, is fast catch-chises fell by 8.24 per cent to 1,035 ing up with Ford in terms of car over the same period and GM saw a es per retail outlet. In the past, 4.1 per cent fall to 655. Austin

> Restructuring of the former BL cars network is also reflected by the drop in Jaguar franchises from 152 to 132 and those for Land Rover from 275 to 230.

FSO, the Polish cars group, suffered the higgest percentage de-cline in outlets, a 29 per cent drop the Rover Group (formerly British from 155 to 110. The higgest in-Leyland), was in fourth place with 399 cars per outlet, behind Volks-wagen-Audi, 328. sports car to offer and whose fran-chised network went up in number.

CAR SALES PER OUTLET 1803 1904 150 241 177 172

Peugeot-Taibot, the Frenchowned group, cut the number of franchised outlets from 470 to 460, which helped its sales per outlet to

STOCK EXCHANGE BUSINESS IN JUNE

Overall turnover falls 4.5% to low for the year

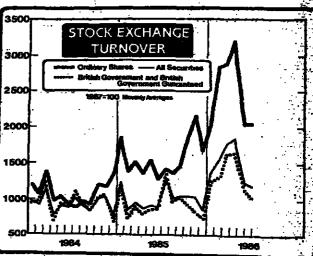
BY GRAHAM DELLER

BUSINESS ON the London Stock Exchange showed a marginal decrease during June, falling to the lowest level this year. Many institutional and professional operators again seemed unwilling to take out fresh positions and, encouraged by the prolonged shell of sultry by the prolonged spell of sultry weather, often diverted their attention to the counter-attractions of Royal Ascot and Wimbledon.

Overall turnover last month fell by £1.83bn, or £5 per cent, to £38.90bn. The Financial Times turnover index for all securities was 1,192.0 which compares with the all-time peak of 1,837.4 established in April

this year.

British Government securities were relatively volatile during June, however, reflecting the ebb and flow of interest rate optimism. Initial prospects for an early reduction in hone. of an early reduction in bank base lending rates — three-month interbank eased to 9.75 month interbank eased to 9.75
per cent on June 2 — were dashed by the dismal money supply figures which disclosed a 3 per cent increase in sterling M3, well in excess of City expectations. Gilt-edged prices were immediately cut by up to 1½ points and the FT Government Securities index, standing at 92.21 on June 9, drifted steadily to touch 90.32 by June 20 before ending the month at 90.34 — a net fall of 1.26 points. Business in Gilts fell £1.77bn. T 6.8 per cent, to £24.42bn. Shorts showed the larger-decline with turnover down by £1.38bn, or 11.6 per cent, to £10.14bn. while activity in longer-dated maturities and irredeemables



fell by only £440m, or 3.0 percent, to £14,28bn. The Financial Times turnover index for Government securities fell to 1,033.4 from May's measure of 1,108.4.

3,237,6 set in April.

Trust and Cable and Wireless, the FT Ordinary share index closed the month 45.9 points higher at 1,367.1.
Corporate takeover activity showed signs of abating although an agreed merger was

announced between Next, the high street fashion chain, and Grattan mail-order house.

Equity turnover expanded slightly to £11.510n. The number of baryains transmissions.

of bargains transacted during.
June fell 3,164 to 483,812
although the average value per
equity bargain was £200 higher
at £23,800. at £23,800.

The Financial Times turnover index for Ordinary shares was 2,053.4, slightly up on the previous month's 2,052.5, but well below the all-time high of 3,937.6 as in April

Value £m	% of total	No. of bargains	% of total	Average daily value £m	Average	Average no, of daily trangalas
•	•					~
10,137.2	26.1	25,496	4.4	492.7	397 4	
14,279.4	36.7	31,983	5.6	620.0		1.573
24,416.6	62.8	57,479	10.0	1,162.7	,	2.737
		4 .		•		ant at
443.5	1.1.	1,230	0.2	21.1	260 4	
1,851.9	4.7	2,542	. 0.5	88.2	•	- 57
27.9	6.1	637	0.1	1.3		121
		•· ·		9.4	109,9	- 139 86
		•		21.6	17.3	1,246
•			т.	540,0	23.4	23,039
38,898.3	100'0	573,667	100,0	7,852.3*	67.8	27,317*
	10,137.2 14,279.4 24,416.6 443.5 1,851.9	£m cotal 10,137.2 24.1 14,279.4 36.7 24,416.6 62.8 443.5 1.1 1,851.9 4.7 27.9 0.1 197.2 0.5 453.9 1.2 11,507.3 29.6	£m total bargains 10,137.2 24.1 25,496 14,279.4 36.7 31,983 24,416.6 62.8 57,479 443.5 1.1 1,230 1,851.9 4.7 2,542 27.9 0.1 637 197.2 0.5 1,795 453.9 1.2 26,166 11,507.3 29.6 483,812	£m cotal bargains total 10,137.2 24.1 25,494 4.4 14,279.4 34.7 31,983 5.6 24,416.6 62.8 57,479 10.0 443.5 1.1 1,230 0.2 1,851.9 4.7 2,542 0.5 27.9 0.1 637 0.1 197.2 0.5 1,795 0.3 453.9 1.2 26,166 4.6 11,507.3 29.4 483,812 94.3	Value £m % of total No. of bargains % of total daily value £m 10,137.2 26.1 25.496 4.4 482.7 14,279.4 36.7 31,983 5.6 680.0 24,416.6 62.8 57,479 10.0 1,162.7 443.5 1.1 1,230 0.2 21.1 1,851.9 4.7 2,542 0.5 88.2 27.9 0.1 637 0.1 1.3 197.2 0.5 1,795 0.3 9.4 453.9 1.2 26,166 4.6 21.6 11,507.3 29.6 483,812 84.3 568,0	Value fin % of total No. of bargains % of total daily value fin bargain value fin </td

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Hazlewood foods, known for its pickles,

its sauces and its vinegar, came to the stock

Many investors found it all too easy to overlook, but we at Throgmorton felt confident that Hazlewood would provide

We were involved in the initial placing

of the shares and soon after that, we acquired

Since then there has been no looking back. Hazlewood has expanded into salads, snack

foods, jams and cider and profitability has

Small companies with a future, or larger companies that are going places. Wherever the opportunities are, we like to be there.

a fine investment opportunity.

grown twenty-fold since 1977.

market in 1977.

stock for our clients.

for The applause dies out

One man has run Tunisia for 29 years. Now the future looks uncertain. Francis Ghiles reports.

Ministers and senior officials come from an ever-narrowing and ageing circle, more often than not drawn from the President's home town of Monastir and its immediate surroundings.

Mr. Habib. Repurpits has Mr Habib Bourguiba has World Bank has commented adnever liked his Ministers to become too powerful. When he was in good health, this funded in the wake of the oil come too powerful. When he was in good health, this attracted little criticism because was in good heatth, this landed in the wake of the on attracted little criticism because boom (oil exports account for his leadership was felt to be nearly 40 per cent of foreign strong and enlightened. But, income) whose justification since 1969, a number of polilooks increasingly dubious at a tical heavyweights have been time of rising unemployment;

THE CHEER leaders are still there, so is the principal actor, but the play no longer draws the crowd.

The 12th congress of Tunisia's ruling Socialist Destour Party (PSD) last month brought together over 1,100 delegates who greeted the appearance of the 83-year-old head of state, Mr Habib Bourguiba, with rapturous applause.

Virtually none of the delegates was even born when the play started half a century ago. Mr Bourguiba founded the Neo-Destour Party to fight French

Democrates Socialistes, and the only one hrave enough to resign; Mancour Moalla, who dared question the extravagant that his Prime Minister for the past six years had, in the two-and-shalf years since the bread of his credibility.

The view on the street, which in recent months nick-named the Prime Minister genarya" (artichoke)—his power and allies mercilessly

gates was even born when the play started half a century ago. Mr Bourguiba founded the Neo-Destour Party to fight French colonial rule in 1934 and has presided over his country's proved to be on the mark. destiny for 29 years.

Tunisia has been among the Arab world's most stable countries and is one of the few where the army has not played a major role. Its stability that farming has not been a helped contain Libya's expansioned by the country which lives outside the towns tolls away, aware that farming has not been a helped contain Libya's expansioned by the country which lives outside the towns tolls away, aware that farming has not been a helped contain Libya's expansioned by the PSD since the aborted socialist policies of the 1960s.

Those who live in the cities

the US.

A growing number of Tunislans, however, fear that the economic and social progress achieved in the past 30 years sucheed in the past 30 years service, although the going is serv

tical heavyweights have been time of rising unemployment; in order to avoid increasing the lated over the past I2 months that a substitute of force (its mic growth and fail to address secretary general, Mr Habib mic g



in the building materials, tex-

The aim of such moves would

be to ensure that consumption does not increase faster than GDP and also to reduce the

state's current expenditure from the present 25 per cent of GDP

to 21 per cent by 1991—which means liimting any increase in the number of people working for the state to 2 per cent per

trade and investment might also

be taken: private companies ex-porting 50 per cent or more of their output may be allowed to import whatever raw materials

was unwilling to forgo any fall in its members' standards of liv-

and an overvalued dinar.

In a year when the country's oil income is plunging, when tourist receipts are hard hit by cancellations following the US air raid on the nearby Libyan capital, when lack of rain is resulting in a disastrous crop, the President's seeming willingand an overvalued dinar. resulting in a disastrous crop, the President's seeming willing-ness to maintain Mr M'Zali was not, in the eyes of many Tunisians, a factor helping to promote much needed reforms.

The dinar has been allowed to fall against the French franc by about 19 per cent since last September and an austerity plan was drawn up, with the President's blessing, by the self effacing but lucid Ismail Khelil, the Planning Minister who last week was also given the Finance portfolio, and who has over the past year been strongly over the past year been strongly backed by the former Minister of Finance Mr Rachid Sfar. Last week Mr Sfar was appointed the country's new Prime Minister and Secretary General of the PSD. Mr Sfar will present the austerity plan to the National Assembly at the end of this month.

A confidential document put their output may be allowed to import whatever raw materials and spare parts they need. Beyond the economic reforms, a number of other problems need to be addressed by the new Prime Minister. The trade union, Union Generale des Travailleurs de Tunisie, which was unwilling to forgo any fall

A confidential document put to the Council of Ministers last month concluded that the option of simply cutting back imports in g, let alone shed jobs in the of simply cutting back imports in g, let alone shed jobs in the ing, let alone shed jobs in the ing, let alone shed jobs in the public sector, has been emascuin order to avoid increasing the lated over the past 12 months trade deficit would slow economic growth and fail to address secretary general, Mr Habib Thuisia's structural problems. Achour, is in prison) and

But the campaign appears so far to have served to settle political scores rather than suc-ceeded in clearing the air. Many of those taken to court have been close associates or members of the family of Madame Wassila Bourguiba, who until she left the country last winter was a very influential first lady

Nonetheless, the campaign has sent shock waves through banking and industrial circles in Tunis. The president of the state-owned Union Generale de Banques, Mr Tewfik Torgeman, who is Madame Bourguiba's sonin-law was recently sentenced to 18 years in prison. Obeservers could be forgiven for asking why it took the board 15 years to notice anything untoward.

L'Action. Unemployment is growing and as people watch the daily repeats of President Bourguiba's speeches of yesteryear on television, some may be tempted to interrupt the play, as they so rudely did did during the bread riots of

They know that President They know that President Bourguibs's pet projects such as the extension to Mahdia of the costly Monastir to Sousse metro, which carries virtually no passengers, will continue regardless. In Tunis, they no longer bother to turn up when the President lays yet another first stone—since 1984 they seldom smile at what until then they had dismissed as the idiosyncracies of an ageing leader syncracies of an ageing leader whom they still respected for all he had contributed to Tunisia in the past.

didactic presidential speeches of the past. A General, Mr Zine El Abidine Ben Ali, holds the Interior portfolio—in spite of the fact that Mr Bourguiba for most of his political life cautioned against allowing the army near the centre of power. Islamic groups may constitute a threat but assessing their strength is at present impos-

Demonstrations, be they ordinary Tunisians protesting against the Israeli air raid on the PLO headquarters last October or students shouting anti-US slogans after the US air raid against Tripoli in April, are severely repressed; a number of opposition party newspapers, tolerated since 1981 have been suspended for long periods.

What comes after fixed commissions

By Barry Riley

for close attention here.

Last week Greenwell Mon-

"IF 25-year-olds in stockbroking firms are still earning £100,000 in a year's time then we won't have been doing our job properly."

The remark by a senior London fund manager sums up some of the frustration felt by institutional investors who have watched stockbrokers get rich twice, first out of fixed com-mission and then out of selling There is also a good deal of cynicism among ordinary their firms to big banks at inflated prices. But after October tightening from the PSD daily swing back towards the fund manager, perhaps with a ven-

Already the process of negoti-ation is well under way. Brokers have been touring their main institutional clients to try to work out their future relationships and methods of dealing. But a clear picture of the problem of trading in equi-ties is unlikely to emerge much before Big Bang, and maybe not for a good few months after-

In gilt-edged, it should be said, there are no such uncersaid, there are no such uncer-tainties. As far as institutions are concerned, it will be a net trading market, with no separ-ate commissions. The market-making firms will live off the spread between buying and sell-

all he had contributed to Tunisia in the past.

There are also increased signs of an authoritarian approach. Strict policing and round-ups of the disaffected have all too often replaced PSD meetings and the brilliantly didettic presidents.

In prices.

Equity trading will be "much more complicated proposition, and no single method of dealing is likely to dominate, at least for a year or two. Both investors and securities firms are exploring different routes. ing prices.

Among the fund management groups, for instance. County Bank will want to deal with agency brokers, nad will therefore pay a commission, but Prudential Portfolio Managers will be a similar to the same and the same and the same are same as the sam will be aiming to do much of

Cazenove and James Capel are plumping for the agency route. and will generally steer clear of is importing some of New market making, as will some of the smaller brokers such as parisons are not precise. Panmure Gordon. But the general choice of the major firms is to set up integrated operations, with sales and trading clussly linked.

Thus equity trading in the New York Stock Exchange, which insists that all trades carry a commission. London

dual capacity, basis—in some It could be misleading to look the most important person in cases housing their agency at Nasdaq in isolation, however, brokers under a different roof, because institutions may use although this will not eliminate Big Board commissions as a conclusively the conflicts of means of paying for research interest involved in such an and other services which are that he quickly between the required the organisation as far as the brokers are concerned. That specifically the conflicts of means of paying for research wind up getting all the chaminterest involved in such an and other services which are

relevant to their Nasdaq and other business.

In practice, almost all UK institutions are likely to be willing to pay commissions, at least on a proportion of their trading, in order to reward brokers for services that they

But how blg will the commissions be? The starting point is an average institutional equity commission at present of around 0.4 per cent. However, on the really big business it is less: firms like Hoard Govett. Wood Mackenzie and James Capel receive an average UK equity commission of about UK equity commission of about 0.28 per cent.

County Bank, for example, says that it now pays an overall rate of 0.25 per cent, and it will be negotiating a flat rate somewhere between that and the output trade with their war market makers while still laiming to be acting wholly in the client's interest. The somewhere countries are the client's interest. The somewhere between that and the output of leading investment institutions. over various formulae govern-ing the circumstances in which they would trade with their own market makers while still claiming to be acting wholly in the client's interest. The some-

Pure agency commission deals may be rare. Institutions may also do volume-based deals with charge an agency-type commis-sion because of its commitment to provide clients with the best the integrated firms, on the basis that a stream of easy business in ICI and BP has a

prices at all times.

The general opinion around the market was that Greenwell was walking straight into another minefield, because the concept of a "best price" is far too vague. It will only be possible to read such a price off the SEAQ competing market makers' screen in 1,000 shares, and not for an institutional-

will be aiming to do much of its trading directly with market makers through an in-house dealing desk.

As for the securities firms, Cazenove and James Capel are plumping for the agency route.

And not for an institutional-sized bergain.

Obviously there has been a practices in the search for insight into the future development of the London equity many will generally steer clear of its importing some of New York.

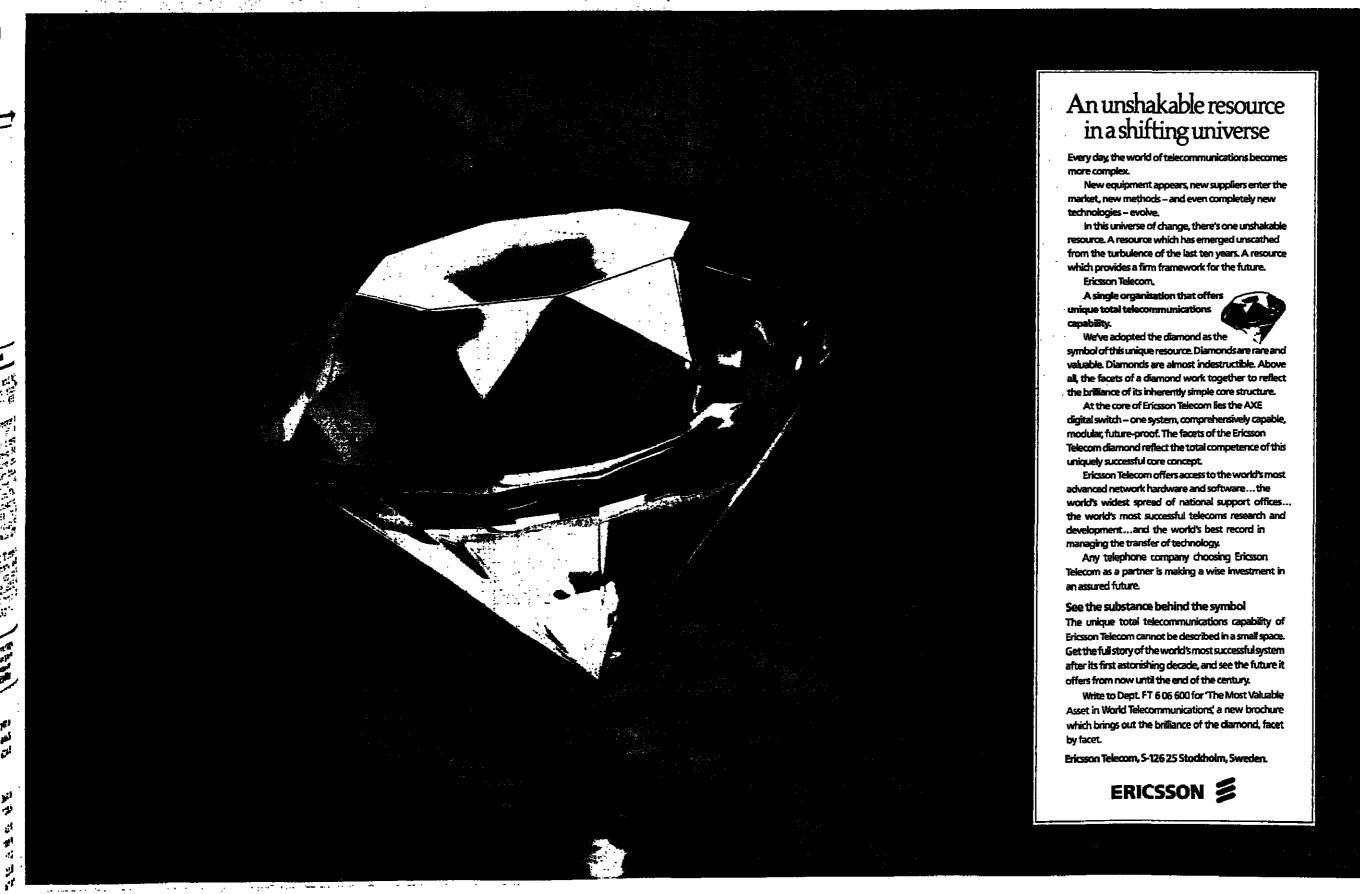
Many will offer to transact will be much closer in style to business both on an agency the Nasdaq over-the-counter basis and on an integrated, or market where prices are net.

what ill-defined concept of "best execution" is coming in The expectation is that there will be quarterly negotiations between brokers and clients until the market settles down, spacing out eventually to annual deals. tagu bravely announced that it was proposing to eliminate this conflict by acting only as principal, though confusingly it also announced its intention to

As a veriation, they may deal on net prices in either narrow spreads or in wider spreads when they want to pay for such luxuries as a higher position on a star analyst's telephone list. It could become an important consideration that the tax sy: 6 m encourages net trading: commissions bear VAT at 15 per cent, wider spreads do not.

There is a great deal to think about, and not all fund managers welcome the distraction from the basic priorities of asset allocation and stock selection. Arguably, there are more important things to be more important things to be concerned about than saving small fractions of a percentage point on transaction costs.

But handing over the respon-sibility to a specialist dealer has the practical consequence that he quickly becomes by far



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(Taba 🖼)

my big sales pitch, and, quite frankly, if you are really keen to become a big-time guru like me, you will have to think up

me, you will have to think up something like it too.

"The idea is that all of the main ideas in effective management can be contained in one minute. You can put down all

a manager's objectives on a

piece of paper that will take no

longer than a minute to read. A

manager can operate effectively thinking of only a few ideas that take no more than one minute to remember. And, most

of all, you can exercise all the

control you need over your team with one minute praisings

The young man sat and

thought for several minutes after this unusually long speech from the guru. "But how on earth do you make money out of the system if it is so simple?"

he suddenly burst out.
"Easy," replied the guru.
"First of all I sell cheats my

book. It's a very short book, so it doesn't cost much to

print but I put a high price on it. That makes people think

they need it, and adds to my

margins.
"Second, the book creates an

audience for my lectures. The talks are not really very different from what you would

find by reading rather than listening, but in this country there seems to be an insatiable

appetite for listening to celebrities like me.

to the lectures, they realise that they really need to buy my seminars to absorb the ideas and apply them. So I win three times. The business," he added, "is just a wonderful each machine."

The young man stood up slowly and held out his hand to the guru. "I'm very sorry for taking up your time, Sir," he said. "It was very interesting,

although I see now that there is no room for another one

For a moment the guru's face

clouded over. "You really must learn to think more clearly," he

chided. "On the other hand," he added, looking his visitor firmly

in the eye with a gaze of deep sincerity, "I can hardly remem-ber anyone who has grasped my ideas faster than you have.

Whatever you do, young man, I predict that you have a glittering future ahead of you."

minute guru."

"Then once they have listened

and one minute reprimanda"

"What are you waiting for young man? Come right on in," beamed the friendly, but determined-looking Guru as he leapt athletically to his feet. 'As you can see, I've got all the time in the world to give you." He gestured to the virtually paperless desk in front of

Well thank you . . . er, that's to say . . . is it really all right?"
grinned the young man, turning deep crimson as he
trembled to think that at last he was on the verge of the most important conversation of his

"Of course it's all right," said the guru, as his broad smile suddenly switched off like an extinguished light bulb. "Let's get something clear from the start," he added, his face turning craggily severe. "I don't like to repeat myself, and I mean what I say. Now I like you a lot young man, because I can see before we begin that you're a serious young fellow with a sincere desire to learn. But the first lesson you have to absorb is that a message means what it says and that you have to respond to it in positive fashion."

The young man went through a kaleidoscope of emotions as he listened to this lecture, but The young man's lace ten as he listened to the reply. "I see I've done it again," he said, shaking his head at his own stupidity. "I haven't been precise enough in my question. How am I ever going to learn if I don't think straight?" he listened to this lecture, but he was surprised to find that his predominant feeling as the guru waved him to his seat was one of strong admiration. Yes, he admitted to himself, he had made a stupid hash of his first few words with this remarkable man. But the guru had been so straightforward in his so straightforward in his response that it was impossible not to admire him for it. And that little bit of praise that had accompanied the lecture made him glow with pleasure.

"I'm very sorry sir," he said, as he sat down. "I'll try to be clearer in future. What I have come to see you about," he added, taking a deep breath, "is the business of one minute guruship. How does a manguruship. How does a management guru really work?"
"That's a very easy question to answer," replied the guru,
"In fact it's so easy I'm surprised you asked. Three days a week I come into the office, sit down behind the desk and mrite my books. The other two, I travel around the country giving lectures, for which," he added with a gentle smile, "people are prepared to pay me \$20.000 a time."

The guru factor

The Parable of a One Minute Pundit

Terry Dodsworth takes a sideways look at the money-spinning success of Dr Kenneth Blanchard

AS Dr Kenneth Blanchard strolls through a heetic day of book promotions in New York, an untidy sheaf of papers tucked under his arm, it is difficult to imagine that he owns one of the fastexpanding, entrepreneurial small companies that have given such a strong boost to the US economy over the last

Amiable, bespectacled, alightly overweight despite the advice he is handing out in his latest executive get-fit book, he looks every inch the book, he looks every inch the university professor—and that is exactly what he was until he went into management training and co-authored "The One Minute Manager." A pithy, 100-page guide to effective leadership, it soured to evernight best-selling status in 1983, went on to sell over 4m copies around the world, and has spawned a series of

Blanchard describes "The One Minute Manager" as a parable. Written in the form of a short story, with generous use of dialogue, it breaks en-tirely with the normal tra-

The young man's face fell as

"Young man," said the guru

"Young man," said the guru approvingly, "I can see you are a quick learner, and I think you deserve a little bit of praise for that." He stood up and moved round the desk, clapping his would-be protege firmly on the shoulder. "You have just acquired one of the main lessons of being a one minute gurust a state your objectives

guru—to state your objectives clearly. If you don't do that," he added, "how are you ever going to establish the correct

data for your job or receive adequate feedback?

"I know, of course, that you didn't really want to know what

sentation. It tells the tale of a young man who goes on a quest like a modern-day searcher after the Holy Grail. He is looking for the secret of successful management, and he finds it in "The One Minute Manager," an experi-enced, older man, who has distilled the art of management into a number of simple

dition of business book pre-

The concepts underlying "The One Minute Manager," based on behaviour modelling and modification, are ruthand modification, are run-lessly holled down into the simplest possible language. "Reinforcement." as Blan-chard puts it, becomes "catch-ing people doing things right." There are no sup-porting arguments. The idea was to create a straightforward, didactic book that would be easy to comprehend, simple to read, and, above all, short enough to be skimmed through in the brief interludes the average executive reserves for such reading.

This approach, says Blanchard, brought him criticism for selling out from some

acting to see issues clearly, put ideas simply, and make it immediately clear when he was upset or pleased with the way you asked your questions set him apart from any teacher he had ever encountered before.

speak plainly to the guru, even though what he had to say might not be flattering he looked up and stared the older man straight in the eye. "But

man straight in the eye. "But haven't we heard all this before?" he said. "A lot of what you are saying sounds just like

"You're a very acute young

fellow," the guru replied approvingly. "Of course, you're right. In this business there's no

ed-up version of manage-

a dressed-up version of mament by objectives to me."

sarily mean that managers will be prepared to listen. By the time "The One Minute Manager" rolled off the presses, he and his co-author, Speneer Johnson, a doctor of psychology and a prolific author of children's books, had a fairly good idea it would work. They had put it through four different drafts, extensively altering the text to meet the criticisms of around 1,500 managers who had looked at it. Blanchard attributes the outstanding impact of "The

of his university peers.

Academics, he says, tend to write for their own satisfac-

tion, which does not neces-

One Minute Manager" to timing, timing, timing". it hit the bookstores just at the moment when business books became fashionable. Total sales of his business

today, seven years after he started it, are around \$10m. So has he now made the successful transition from university professor to entrepreneur? "I couldn't spell the word before 1979," he jokes, "and now I is one."

challenge the older man.

"But that's not fair," he said.

ought to give people something new that would help them."

"Now there you go again," replied the guru, "mixing up your thinking. Why does something necessarily have to be new to help someone? Look,"

he went on, deep contusts.

he went on, deep enthusiasm suddenly lighting up his face, "in the next 10 days I'm going to cross this continent twice. I shall speak to audiences in Seattle and Chicago, Boston and Los Anteles and what they nay

a phenomenal success. His man, who read, in bold type, ability to see issues clearly, put the following message:

a phenomenal success. His man, who read, in bold type, ability to see issues clearly, put the following message:

a phenomenal success. His man, who read, in bold type, and make it is following message:

before, so they will think it is decessor, was short and to the guru, "is that the way before, so they will think it is as fresh as a newly-minted as fresh as a newly-minted coin."

Never use two syll-ab-les planned so that I can manage planned so the point across."

The message, like its present the point across."

Never use two syll-ab-les planned so that I can manage planned so the point across." rope So long as it looks like new.

The young man looked dubi-ously at the guru. "I still don't see how you can persuade people to part with their money so easily. After all, I could see immediately that what you're peddling was an old message, and the sort of people you are dealing with are some of the The young man found himself taking another deep breath. He Even so, he felt slightly who seemed as sincere as the worried. Taking a deep breath, and telling himself that he must speak plainly to the sure. dealing with are some of the cleverest in the country. They are our captains of industry, our great entrepreneurs, our high filers . . ." " If you're offering a service you

high fliers..."

"Now, now. Just hold on a minute," said the older man, cutting him off abruptly. "Of course," said the guru, "but that's the easy part. You've already learned one of my messages—the bit about goals—and you've only been here a couple of hours. There are really only a couple of other things you need to learn, and you've absorbed part of one of those lessons as well."

"Oh really?" said the guru, "but that's the easy part. You've already learned one of my messages—the bit about goals—and you've only been here a couple of other things you need to learn, and you've absorbed part of one of those lessons as well."

"Oh really?" said the guru, but that's the easy part. You've only been here a couple of other things you need to learn, and you've absorbed part of one of those lessons as well."

"Oh course," said the guru, but that's the easy part. You've only been here a couple of other things you need to learn, and you've absorbed part of one of those lessons as well."

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"Oh really?" said the guru, but that's the easy part. You've only been here a couple of other things you need to learn, and you've absorbed part of one of those lessons as well." stand the sort of twaddle the man in astonishment and rising average guru pours out if you hope. If things were as easy as give him half a chance. Here, this, he could well be a guru look at this," he went on, turning around yet another of the thought, but what, he wondered, plaques on his desk. "I think was the message he was sup-

when one will do.

"OK, I can see what you mean," said the young man, though not without a twinge of regret, because he had just spent what he had considered to be an invaluable year at one of the country's leading business schools learning a host of very long words. "Even so, you have to put some content into these short words or no-one will listen to you."

"Oh really?" said the young

you more effectively. When I got angry with you a short time got angry with you a short time ago, it was quite deliberate, because I wanted to give you a clear message of displeasure. Managers, you know, are like children. They work best when they know that their superiors have clear value systems and don't like them hyshen?

have clear value systems and don't like them broken."

"Management is manipulation," continued the guru, putting great stress on the verb.

"You have to remember that people always perform better when they feel good, and most people need continuous appropriate that the match them approval, so I try to catch them doing something right."

the point for a moment. "All right, I'll buy that as well," he said. "But I'm still puzzled by all this 'one minute' stuff." "Ah that," said the guru, " is when he came to think of it, he my plèce de resistance. If I can allow myself a little linguistic licence—how difficult it is to speak simply all day long. The one minute idea is June 30, July 2 and 7.

The young man considered

The young man felt the nowfamiliar glow of satisfaction spreading over him as the praising sunk in and he walked to the door. He marched off down the corridor with a new sense of purpose in his step. But



I did every day. What you're interested in is how a one minute guru gets his ideas and turns them into a system of one minute guruship."

For quite some time, the young man said nothing at all. He realised now why the one minute guru had become such such as the point in reinventing the wheel. But what you have to do is put that you have to do is put the your message in a digestible form. That's why I go in for slogans—in fact, here's one of them, which deals exactly with them, which deals exactly with the young with an earnest, dedicated look.

"in the next 10 days I'm going to cross this continent twice. I shall speak to audiences in your message in a digestible form. That's why I go in for slogans—in fact, here's one of them, which deals exactly with them, which deals exactly with the pay the cross this continent twice. I shall speak to audiences in your message in a digestible form. That's why I go in for slogans—in fact, here's one of them, which deals exactly with them. I say will be new. But it is continent twice. I shall speak to audiences in your message in a digestible form. That's why I go in for slogans—in fact, here's one of them, which deals exactly with them. I shall exam at the pay and the point in reinventing the wheel. But what you have to do is put the cross this continent twice. I shall exam at the pay and the point in reinventing the wheel. But what you for cross this continent twice. I shall exam at the pay and Prelingadine Orthographoved production agoromy.

EMS have been producing high quality plastics and synthetic fibres in Switzerland for over 35 years. Analysing and refining familiar industrial processes has enabled us to develop a package of advanced technology to significantly reduce production costs and improve product quality.

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Renato Bonifacio... Heuri Marire... Frans Swarttouw...

World World Aerospace to the End of the Century, the next onference in this now ugust 1986 just before the Richard Albrecht... Günter Eser... Jean Pierson... Colin Marshall... Alec Sanson... Edward Acker... Jim Worsham... Robert Zincone... Brian Rowe... Julius Maldutis... Stewart Miller... Michael Spicer... Arthur Wegner...

World Aerospace to the End of the Century

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EUROPEAN ECONOMIC COMMUNITY U.S. \$25,000,000 17% Bonds Due 15th October, 1993

Drawing of Bonds

NOTICE IS HEREBY GIVEN that a drawing of bonds of the above Issue took place on 27th June, 1986 attended by Mr. Frank Baden, notary, when 410 Bonds of U.S. \$1,000 nominal amount and 224 Bonds of U.S. \$10,000 nominal amount for a total of U.S. \$2,750,000 principal amount were drawn for redemption at par on 15th October, 1986, from which date all interest thereon will cease. The following are the numbers of the Bonds drawn:

4	1521	3191	4644	6248	7855	9508	10244	10685	11007
11	1525	3194	4651	6253 6271	7880	9525	10253	10686	11008
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292	1889	3447	4918 4987	6490	8104	9/30	10310 10314	10742	1 1018
329	1898	3470	4992	6554	8133 8207 8225	9793 9794	10314	10744	11019
331	1903	3476	5005	6563	9275	9836	10332	10747	11020
336	1911	3480	5028	6594	8257	9858	10332	10750 10753	11021
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456	2037	3581	5138	6666	8324	9964 10001	10353	10783	11026
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601 618	2246 2276	3793	5263	6902	8589	10031	10400 10402	10833	11036
667	2324	3818 3851	5345	6914	8661	10043	10403	10840 10842	11036 11037
708	2324	3851 3857	5349 5397	6977 7008	8662	10058	10408 10413	10842	11038
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1117	2708	4228 4234	5763	7394	8987	10117	10505	10908	11310
1124	2728	4258 4258	5780	7397	9043	10120	10515 10525 10526	10911	11311
1152 1158	72756 2757	4258 4259	<i>5</i> 805 5816	7400	9059	10121 10128	10525	10912	11313
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1207	2079	4357		/ 934	9189	10165	10562	10935	11395
1293	2911	433 <i>1</i> 4395	5937 5941	7555 7583	9213	10183	10565	10963	11409
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1308	2939	4442 4464	6048	7586 7604	9282	10187	10580	10980	11427
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1468	3185	4616	0243	7848	9475	10243	10659	11006	
						_		עעע	

The above Bonds may be presented for payment of the proceeds of redemption at par on or after 15th October, 1986 at the offices of the paying agents named on the coupons in the manner specified in Condition 4 of the Terms and Conditions of the Bonds printed on the reverse of the Bonds. Each of the above Bonds when presented for redemption must bear the coupon dated 15th October, 1987, and each subsequent coupon, otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

Principal Paying Agent: Union Bank of Switzerland Bahahofstrame 45 CH-8021 Zurick

27th June, 1986

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A businessman using IBM Teamwork software to sort out a cash-flow problem with a member of his staff. Can you spot which one?

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Committed

to Construction

" What we have achieved at

Broadgate is a revolution in building speed in the UK," said Mr McPherson.

"Now our client can go to his clients his prospective tenants and say that they can get a building in a year, whereas before we would

have quoted them a project up to five years away."

It has also created a vast

BASE LENDING RATES

	%		%
ABN Bank	10	Exeter Trust Ltd.	1814
Alifed Arab Bank Ltd		Financial & Gen. Sec	
Allied Dunbar & Co		First Nat. Fin. Corp	ñ
Allied Irish Bank		First Nat. Sec. Ltd	71
American Express Bk		Robert Fleming & Co	18
Auro Bank		Robert Fraser & Pits	
Henry Ansbacher		Grindlays Bank	
Associates Cap Corp		Guinness Mahon	
Banco de Rilbao	10	Hambros Rank	
Bank Hapoalim		Heritable & Gen. Trust	13
Bank Leumi (UE)	14	e Hill Samuel	
Book Credit & Comm	18	C. Hoare & Co	16
Bank of Cynrus	-	Hongkong & Shanghai	10
Bank of Cyprus Bank of Ireland	19	Knowsley & Co. Ltd	19%
Bank of India	10	Liovis Bank	19
Bank of Scotland	19	Mase Westpac Ltd	10
Banque Belse Ltd		Mechrai & Sons Ltd	19
Bareleys Bank		Midland Bank	絶
Benchmark Trust Ltd	19	Morgan Grenfell	19
Beneficial Trust Ltd		Mount Credit Corn. Ltd	10
Brit. Bk. of Mid. East	10	National Bk of Kuwait	18
e Brown Shipley	18	National Girobank	19
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Canada Permanent		Northern Bank Ltd	
Cayzer Ltd	18	Norwich Gen. Trust	1014
Cedar Holdings. Charterhouse Bank.	11	PK Finans, Intl (UK) Provincial Trust Ltd	11
Charternouse Bank	10	R. Raphael & Sons	16
Citibank NA	HJ	Roxburghe Guarantee	11
Citibank Savings City Merchants Bank	11074	Powel Renk of Scotland	16
Clydesdale Bank		Royal Typet Co. Canada	18
Comm. Bk. N. East	18	Standard Chartered	18
Consolidated Credits	10	Trustee Savings Bank	19
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NATIONAL BANK OF CANADA

U.S.\$50,000,000 Floating Rate Notes due July 1991

In accordance with the provisions of the Notes notice is hereby given that for the six month Interest Period from July 14th 1986 to January 14th 1987 the Notes will carry an Interest Rate of 7% per annum. The Coupon amount payable on Notes of U.S.\$5,000 will be \$178.89.

> Agent Bank FIRST CHICAGO

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

July 14-17 International Water Exhibition WORLD and Conference - WORLD WATER (0923 778311) Olympia July 15-17 Systems for the City Exhibition (01-863 4466) Barbican Centre (01-500 may)
July 16-18
PC User Show and Conference
Olympia (01-608 1161) July 20-24

Gift Trade Fair (0282 967153)
Harrogate Exhibition Centre
July 24-27 Acorn Computer User Christmas Show (01-349 4667) Barbican Centre

British Music Fair — MAKING MUSIC (01-385 1200) Olympia July 31-August 3 July 31-August 3

July 31-August 3

National Fitness and Health bition (07:37 68611). International Fitness and Health bition (07:37 68611). International Hetalcutting Machine Exhibition — PHYSICAL (0273 206722) Kensiagton Exhibition (0273 Subcontracting Exhibition, including Surface Treatment and Finishing (01:486 1951)

215206) Bristel August 5-10 Women's World Exhibition (0272 215206) Bristel

OVERSEAS TRADE FAIRS

July 21-24
International Laboratory Equipment Exhibition — LABEX (021-705 6707)

City Planning Exhibition (021-705 6707)

Xlamea

August 31-September 6
International Autumn Fair (01-240 7013)

September 10-14
International Autumn Fair (01-777 4551)

September 17-24

705 87071 August 20-23 Office Technology and Computer Exhibition (01-488 1951) Knata Lumpur international Trade Fair (Consumer goods) — INT SKANE-MASSAN (01-486 1951) Halmo MASSAN (01486 1951) Halme
August 26-28
Finnish Fashion Fair (01486 Fair—INTERTOOL (01-977 4551)
1951) Guangment
September 29-October 4
International Machine Tool Trade
Fair—INTERTOOL (01-977 4551)

Angust 7-16 Collectors Fair for Antiques and Memorabilia (021-780 4171) NEC, Birmingham **business** this week

August 17-19 International Craft and Hobby Fair (04253 72711)
Wembley Conference Centre

August 31-September 2 International Jewellery Exhibi tion (0935 20721)

Carisumas
Castings and Forgings Exhibition; Castings and Forgings Exhibition; International Foundry Exhibition;
MAKING
Olympia
Metallurgical Plant Exhibition;
Metallurgical Figure Exhibition;
Metall

International Engir

(021-455 9600) September 23-28
International Road, Rail, Sea and Air Transportation Exhibition (01-968 4567)
Guangrhen

BUSINESS AND MANAGEMENT CONFERENCES

July 13 Legal Studies and Services: Mergers and acquisitions— strategic tax and accounting issues (01-236 4080) Royal Lancaster Hotel, W2

July 31 London Chamber of Commerce: Seminar on the cause and effects of the "big bang" (01-248 4444) Savoy Hotel, WC2

August 13
Management Training Consultants: Successful supervision.
Ratfield (Leicester 27062) Angust 28-28
FT Conference: World aerospace to the end of the century (01-821 1355) Hotel Inter-Continental, W1 August 28-29
The Robens Institute: Hazards in water—a national seminar to discuss the implications for human health of contaminents of the water cycle
University of Surrey. Guildford Angust 26-28

water cycle
University of Surrey, Guildford
September 4-5
Euromoney Conferences: Eurobonds '86 New opportunities in

creative markets (01-236 3288)

Institute for Personnel Manage ment: Personnel statistics (01-946 9100) Embassy Hotel, W2 Frost and Sullivan: Introduction to OSI and its support for message handling systems (01-935 4433) Regent Crest Hotel September 11 SFS: Stress (01-736 0134) The Royal Garden Hotel, W8

ptember 15-16 coptember 15-18
GDI International Conferences:
Intelligent buildings (Zurich 01
724 0020)
Zurich
September 15 Copper Development Association: luminium bronzes for industry (0707 50711)

Cavendish Conference Centre, Wi September 16-17 nei and Metallurgicai Journals: Independent power generation conference and exhibition IN POWER 86 (0737 68611)

Excelsior Hotel, Heathrow

Anyone whining to attend any of the above events is advise telephone the organisers to ensure that there has been no chain the details published.

Commons and Lords

Commons: Lags! Aid (Scotland) BIT, remeining stages. Unopposed private business. Lorde: Social Security Bill, report. Incest and Related Offences (Scotland) Bill, Consideration of Commons amendments.

Select Committees: Foreign August.
South Africa. Witness: Sir Leafle
Smith, chairman, British Industry Committee on South Africa (Room &

Remaining stages of the British and Commonwealth Institute Innustion Bill.

Ends: Crown Agents (Amendment Bill, committee. Latent Duringe Bill, commons sunnd ments. Public Order Bill. committee During Space Bill, consideration of Commons amendments. Weights and Messures Act 1963 (miscellaneous Carles) (Amendment) Order 1988

Messures Act 1963 (miscellaneous foods) (Amendment) Order 1986, motion for approval.

Select Committees: Channel Tunnel Bill (Grand Committee Room, Westminener Hall, 10:30 am). Environment Historic buildings and enclent monuments. Witness: Lord Eton, Environment Minister of State (Room 20, 10:46 am). Trade and Industry: BSC-Witnesses: Mr R. Scholay, Chalman and chief executive, Mr M. E. Liowarch, deputy chief executive, and Mr I. M. P. Lene. comparation secretary (Room 15, Lene. comparation secretary (Room 15, Lene. comparation secretary (Room 15, Lene. Witnesses: Mr R. Scholay, chairman and chief executive, Mr M. E. Licowarch, deputy chief executive, and Mr I. M. P. Evans, corporation secretary (Roosz 15, 10,45 am). Agricultura: Cereals Policy. Witness: Mr Michael Jopilng. Agricultura Minister (Room 16, 11,15 am). Social Services: Primary Health Cara. Witness: Mra Julia Cumberlege, chairman, Community Nursing Review (Room 21, 4,45 pm). Foreign Affairs: South Africa. Witness: Dr Cedric Phatual (*Poom 15, 5 pm). Committee on a Private Bill—Herwich Parkeston Quey (Room 5, 10,30 am). Unosposed hills—Blyth Harbour (Room 9, 4 pm). THREDAY Commons: Finance Bill, remaining stages. Channel Tunnel Bill motion. Lords: Gas Bill, third reading. Patents, Designs and Marks Bill, consideration of Lords amendments. Education (No. 2) Bill, second reading. Salect Committee: Channel Tunnel Bill (Grand Committee: Dockward Services Bill, consideration of Lords amendments. Proceedings on Insolvency Bill and Company Directors Disquelification

consideration of Lords amendments. Proceedings on insolvency Bill and Company Directors Disquelification Bill. Motion on the New Towns (Extinguishment of liabilities) Order Lords: Building Societies Bill, report.

CONSTRUCTION

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

Broadgate—the largest bullding project in the City since the Great Fire of London in 1666—was inaugurated on Friday to the dalcet tones of the Prime Minister and the Regimental Band of the Coldstream Guards. Assembled developers, bankers, builders and architects sipped pink champagne under an awning as Mrs. Thatcher—clad in blue with

a white hard hat—operated the crane which lifted the last section of red granite cladding for Broadcate phase II into position.

As she returned to earth, Mr Godfrey Bradman of the developer, Roschaugh Stan-hope, reminded her that it

was only a year ago that she had driven a large mechanical digger to mark the start of work on the site—the occasion on which she promised to inaugurate the deve it could be ready within a

For Broadgate is not only the largest building project under way in London—phases I and II total 720,000 sq ft. of a development which, when completed with its next two stages and with the developer's adjacent Bishopsgate will make a total of 4m sq ft, the largest single office development in the Common Market—it is also the fastest. The programme target was such that "I had suspected I would no! be here today, and had agreed to fly to Vancouver," said Mrs Thatcher. "But I arranged a night flight just in case you did it Bovis director who is in charge of the management contract for the £136m Broad-

contract for the £136m Broad-gate project, estimates that building phases I and II—a £56m contract—would have "taken at least two and a half years, not 12 months, if we had stack to traditional methods."

£25m hospital to be built in Cairo

HIGGS AND BULL has been HIGGS AND RILL has been awarded a £25m project management contract by the Cairo Organisation for Medical Treatment for the design, construction and equipping of a major new hospital in Cairo, Egypt. Architect for the project is the Percy Thomas Partnership and main contractor Costain International Construction and Reconstruction. Construction and Reconstruction

Engineering Joint Venture.
The Pyramid Hospital project
will provide 300 beds with
facility to extend to 600 in two further phases. The nine-storey stepped structure will have a reinforced in-situ concrete frame, floors and roof. The building is based in a 7.2 metre grid and accommodation is arranged around a central courtyard. Walls are of cavity blockwork, painted white, while planted terracing is used at each level. The wards are on the perimeter of the building with access to the terraces. Green aluminium louvred shading will project 2 metres from the concrete edge beams to further emphasise the building's stepped form. The project is due for completion in 140 weeks. l roof. The building

\$4.5m contracts have been wor SAM CONTROLS have been won by HENRY BOOT SOUTHERN. The two largest are £19m M25 motorway repairs between Pot-ters Bar and Cheshunt, to be completed by November; and a £14m contract for the construc-tion of Europa Reservair st tion of Furston Reservoir at Milton Keynes. The 65 week contract for the Anglian Water Authority includes a concrete flow control structure and ancillary works.

CHARLES GRAY BUILDERS, Dundee, has been awarded the \$3.5m Lintrathen water treat-

BUSH GOULD, a subsidiary of the John Willmott Building Group, has been awarded a con-tract worth about £900,000 by the South Norfolk District Coun-cil for the demolition and re-placement of 32 Airey Homes at various locations in Norfolk.

WILTSHIER NORTHERN, Darlington, has been awarded the \$4.6m contract for the factory and office expansion for NSK Bearings Europe, at the South West Industrial Estate, Peterlee, Co. Durchem communicing of Co Durham, comprising of an extension of 11,000 sq metres to production and associated areas and a new canteen black of 1,200 sq metres. The contract is due for completion in 38 weeks.

Broadgate progress

The developers' managing neered construction and pushed for the type of pro-duction levels we're got to achieve to compete."

achieve to compete."

The building also used as much prefabrication as possible to cut construction time to the bone, building on the experience Bovis gained in the new Lloyds building.

All the tollet pods, for example—12-ton units containing washrooms complete down to the last mirror, ceiling

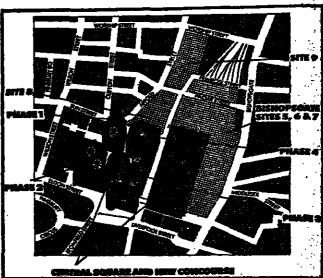
ing washrooms complete town to the last mirror, ceiling light, floor tile, paper holder and granite basin surround— were completely prefabricated on a hover pad.

ing all the production plan-ning levels we'd used before out of the window," he said. Shand Ltd. Shand House Madock Derbyshire DE4 3AF Tel: (0629) 734441

directors, Mr Stuart Lipton of Stanhope and Mr Bradzam of Rosehaugh, were closely involved with progress day-to day. "They knew what they wanted made decisions quickly, believed in high-performance, value engi-

off-site and then lifted to the correct floor level with 2 crane and floated into place

new financial office complex
—and an estimated 5,000 jahr
when complete—on the for
merly derelict railway land next to Liverpool Street station. Pianning permission has just been granted for the 1.5m sq ft of offices on the adjacent Bishopsgate site, also old raff-way land.



Financial Times Conferences

RISK MANAGEMENT INSTRUMENTS London - September 15 and 16, 1986

Risk management instruments, the growing number of sophisticated rival products for handling interest rate and currency risks, will be the subject of a high-level conference to be arranged by the Financial Times in London on September 15 and 16.

John Gilmore, chairman, Chicago Board of Trade; Brian williamson, chairman of LIFFE, and Bill Brodsky, president. Chicago Mercantile Exchange, will take part in the opening forum which will review the internationalisation of the financial markets and the questions raised about regulation,

tax and trading methods. Financial engineering for interest rate protection considering whether companies and financial institutions can justify the cost of using the markets will be addressed by Mark Blundell, executive director, Citicorp Investment Bank, and Robert Weir, executive director, Household Mortgage Corporation PLC. In a separate forum on currency risk management the cost factors will be addressed by Geoff Warren, manager, Financial Engineering Group, Midland Bank Group Treasury, and John Finnie, assistant group treasurer, GKN plc.

PACIFIC BASIN OIL AND GAS-PRICES, INVESTMENT AND THE **BUSINESS OUTLOOK**

Hong Kong -- September 25 and 26, 1986 The FT conference programme has a strong tradition in the energy field. This year's major off and gas forum is to be held at the Hong Kong Meridien on September 25 and 26 in association with Petroleum News. Ir Wijarso, the leading Indonesian official; Mr Zou Ming, senior adviser to the China National Offshore Oil Corporation; Mr Paul Ravesies, president of Arco Petroleum; and Mr Dick van Hilten, chairman and chief executive of Shell Refining in Singapore, will be members of a prominent panel of speakers under the chairmanship of Mr Peter Gaffney of Gaffney, Cline & Associates and Mr Chote Sophonyanich of the Bangkok Bank.

PROFESSIONAL PERSONAL COMPUTER CONFERENCE London - October 30 and 31, 1986

The Financial Times is holding its fourth Professional Personal Computer conference in London on October 30 and 31. The market for professional personal computers is changing rapidly presenting manufacturers and system suppliers with new challenges and opportunities. Trends in the industry will be reviewed by top executives from Apple Computer, Olivetti, Apricot Computers, ICL, Digital Research and Novell Inc.

All enquiries should be addressed to:

The Financial Times Conference Organisation
Minster House, Arthur Street London ECAR 9AX

Tel: 01-621 1355 (24-hour answering service) Telex: 27347 FTCONF G Cables: FINCONF LONDON

This advertisement is issued in compliance with the requirements; of the Council of The Stock Exchange, it does not constitute an invitation to the public to subscribe for or to purchase abanes.

BLUE ARROW PLC (Registered in England under the Companies Acts 1948 to 1981, No. 1618678)

Issued and to be issued

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Blue Arrow PLC is the holding company of a services group operating in the fields of employment, contract cleaning and financial and other services. Application has been made to the Council of The Stock Exchange for the admission of Application has been made to the Council of The Stock Exchange for the admission of the whole of the issued share capital of Bine Arrow PLC formerly dealt in on the unlisted securities market, to the Official List. Details relating to Bine Arrow PLC and the above shares are available in the statistical services of Extel Statistical Services Limited. Copies of the listing particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 28 July 1986 from:

Blue Arrow PLC Blue Arrow House Camp Road St Albans Herts AL1

Phillips & Drew 120 Moorgate London EC2M

Company Announcements Office The Stock Exchange Throgmorton Street

14th July 1386

Company Notices

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN N DEPOSITARY RECEIPTS (EDRs) IN AJINOMOTO CO., INC., or of March 21, 1986 EDR holders are informed that of March 21, 1986 EDR holders are informed that the control of the

Contracts & Tenders

SYRIAN ARAB REPUBLIC

DAMASCUS CITY WATER SUPPLY AND SEWERAGE AUTHORITY

El-Nassr Street, Damascus

Syrtan Arab Republic **CALL FOR TENDERS**

Water Laboratory Equipment

Damascus City Water Supply and Sewerage Authority, (DAWSSA). El Nassr Street. Damascus, Syria, invites tenders, under sealed cover, in accordance with Decree 195/t, 1974, for the supply of Laboratory Equipment and Materials for the determination of health related constituents in water, such as heavy metals and organic compounds.

---Tender Security: Five Thousand (\$5,000) U.S. Dollars ---Performance Bond: Ten (10) per cent of awarded contract price.

-Validity period of Tenders: Not less than ninety (90) days following the closing date for submission of tenders. -Delay Penalty: One per thousand for each day of delay.

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Prices: Tender prices shall be final, no price reductions allowed. -Agency: Exclusive agents, if any, shall be registered with the Ministry of Economy and Foreign Trade, in the foreign companies

Closing date and place of submission: 15 September, 1986, during official working hours, to the DAWSSA Registry, El-Nassr Street, Damascus, Syria.

Tender documents: May be obtained by application in writing or telex (FIGDAM 411312 SY) to the DAWSSA Contracts Department against payment of five hundred (500) Syrian Pounds. Documents will be airmailed by DAWSSA to interested firms abroad upon transfer of U.S.\$100 to DAWSSA account No. 2001/10 with the Commercial Bank of Syria.

President/Director General Eng. RIDA MOURTADA ITO YOKADO, LTD.

The undersigned announces that the Annual Report 1985 of its Yokado, Ltd will be available in Luxembourg at Banque Générale due Luxem-bourg SA and further in Amsterdam at Algemene Bank Nederland NV: Amsterdam-Rotterdam Bank NV Genk Mees & Hope NV Pierson, Heldring & Pierson NV Kas-Associatie NV

erdam. 4th July 1986 AMSTERDAM DEPOSITARY

NOTICE OF PURCHASE BOWATER INDUSTRIES PLC 944% Bonds due 15th July 1986 NOTICE IS HERIEBY GIVEN to bondholders that US \$1,250,000 nominal amount of the above issue was purchased in the market during the twelve month period to 15th July 1986 and applied in respect of the mandatory redemption Instalment payable on that date. In accordance with Condition 5(c) of the Trust Deed dated 15th July 1976, constituting the Bonds, the final repayment of US \$20,000,000 of the Bonds is also due on the 15th July 1986, and payment of the Bonds will be made upon presentation and surrender of such Bonds at the office of one of the Paying Agents as set out on the reverse of the Bonds. 944% Bonds due 15th July 1986 Bowater Industries plc Bowater House Knightsbridge London SW1X 7NN July, 1986

Clubs 1

Art Galleries

LEGER 13. Old Bond Street, ENGLISM PICTURES FOR THE COUNTRY HOUSE. Mor. to Fri. 93.6-3.0.

ZAMANA CALLERY 1 Cromveil Garden, SW7. 01-584 6612. CENTURIES OF COLD—The Coinage of Medieval Islam. J. Company of Medieval Islam. 12-53.0 Cen. The Sal 10-53.0; Sen. 12-53.0 Cen. The Sal 10-53.0; Sen. OMELL GALLERIES, 43a Duto Street. St. Jamest, SW1. 01-930 7744. An Exhibition of Scandiawian Paintipse CAMELLS AT OMELL'S. Mon.-Pri. 9.30-5; Sat. 10-1.

Classified Advertisement Rates

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BANOUE PARIBAS

U.S. \$400,000,000

Undated Subordinated Floating Rate Securities

In accordance with the provisions of the Securities, notice is hereby given that for the interest period 11th July, 1986 to 11th September, 1986 the Securities will carry an Interest

Interest payable value 11th September, 1986 per U.S.\$1,000 Security will amount to U.S.\$12.06 and per U.S.\$10,000 Security will amount to U.S.\$120.56.

Morgan Guaranty Trust Company of New York

REPUBLIC OF AUSTRIA

U.S.\$50,000,000 8%% Bonds 1990

S. G. WARBURG & CO. LTD. announce that the redemption instalment of Bonds due 15th August, 1988 for a nominal value of US\$1,000,000 has been met by purchases in the market. US\$32,000,000 nominal amount of Bonds will remain nding after 15th August, 1986. The following Bonds drawn for redemption on the dates stated below have not yet been presented for payment:-

15th August, 1981 15th August, 1978 15th August, 1977

32800 Bonds together with accrued interest to said dates are

S. G. WARBURG & CO. LTD. Paying Agency, 6th Floor, 1 Finabury Avenue, London EC2M 2PA or one of the other paying agents named on the Bonds.

The Molson Companies Limited

U.S. \$35,000,000 Floating Rate Notes Issue date 14th July 1996 Maturity date 14th July 1991

October 1986 the rate of interest on the notes will be 6 5/8% per annum. The interest payable on the relevant interest payment date will be U.S. \$8,465.28 per U.S. \$500,000 note.

(Incorporated with limited liability under the laws of Canada).

For the three month interest period from 14th July 1986 to 14th.

Morgan Grenfell & Co. Limited

Reference Agent

London EC2

Vienna at the turn of the century

On the very night when the President of the United States President of the United States pressed a button to relight the torch on the Statue of Liberty, the New York Museum of Modern Art opened an exhibition that illuminates a complex and sometimes contradictory period in recent European art. Vienna 1900: Art, Architecture and Perion is one of those major exhibitions that in its organisation and scholarship major exhibitions that in its organisation and scholarship brings together the gifts of the old Europe and the New World. It seemed strangely appropriate to be exploring the artistic achievements of the city where Freud and Wittgenstein created so much modern thought just as New Yorkers were celebrating the symbol of welcome to the refugees from Europe's turmoil,

There is something extremely

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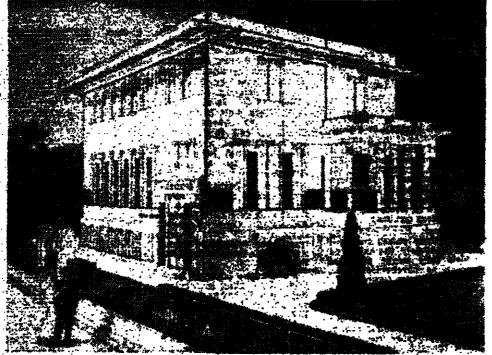
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American about this presenta-tion of a difficult period of cul-tural history. In fact, I would go as far as to say that there is something particularly "Museum of Modern Art" about the great display. There have recently been several explorations of this particular Viennese moment. In Paris, Vienna itself and in Venice, buge and evocative exhibitions have attempted to lay before us private, powerful and periphera, aspects of Viennese artistic achievement from 1898 to 1918. achievement from 1898 to 1918. In this show in New York, we are presented with a studied display of such determined clarity that there might even be a sense of disappointment at the lack of bravura evocative exhibition effects, However, this initial fear that the great mountain of the Museum of Modern Art had produced a mouse proved to be totally unfounded.

The organiser of the exhibi-



Otto Wagner's second villa of 1912—a chaste example of his conversion to modernism.

among them." This leaves the visitor to judge for himself from a concise display of the Ringstrasse houses — the from a concise display of the Ringstrasse houses — the from a concise display of the Ringstrasse houses — the become a part of the total work of art (the Gesomtkenstwerk so much desired by the artists and an the end of World War II.

The rather sudden swing in their real qualities come to life. Luckily, there is a chance to make their real qualities come to life. Luckily, there is a chance to section, whener werk-staette, the Runstschau and an excellently mounted architectory that their real qualities come to life. Luckily, there is a chance to understand this totality in the exhibition from what the organisers call Klimt's "Golden Syle" to the geometric style of the exhibition contend with the Palais Stoclet. (Vienna Workshop) conceptives the mind wonderfully on the desires of the two was designed by Hoffman, and is the best realisation of the

mountain of the Museum of the

European historicism that affected every city by the end of the 19th century. Vienna's comparatively late

demolition of its ramparts and fortifications in 1858 meant that the adornment of the Imperial Capital reflected the Neo-Every-thing historicist approach. In their reactions to this stylistic confusion these leaders of architectural taste took up what appeared to be extreme positions at the time. Otto Wagner, as he was by far the oldest, embodies

that is perfectly shown at eye level. It is breathtaking in itself level. It is breathtaking in itself and superbly accurate, even the overlapping copper tiles on the dome are delineated, and the Schinkelesque canopy at the entrance. To see the interior alongside each other in good back-lit colour photographs is a powerful revelation of Wasners sussessed matters of a powerful revelation of Wagner's classical mastery of interior spaces. His technical accomplishment is shown by one of the aluminium hot-air blowers that warmed the Post Office hall—not a far cry from the technology of today—yet a good deal more stylich. good deal more stylish.

This exhibition is in the great tradition of clear and accessible scholarship that we expect from the Museum of Modern Art in New York, free from any pre-tension and logical—it is a lesson in the sort didactic display that leaves the visitor room to respond. We take these exhibi-tions almost for granted: this one is a model of its kind.

It is supported by an excellent catalogue and a free exhibition "newspaper" that is a splendid summary of the cultural background to the period. To complete the Viennese flavour, the museum has opened a coffeehouse and on every Friday and Saturday night in the museum Saturday night in the museum garden from 6 to 10 pm there are concerts (free) of music by Strauss, Lehar and Kreisler.

Vienna 1900: Art, Architecture and Design is at the Museum of Modern Art, New York until October 21, the catalogue by Kirk Varnedoe is pub-lished by the Museum of Modern Art (284 pages) priced

The Rover/Swan, Stratford-upon-Avon

Michael Coveney

repertoire linking it across the 17th century with the Jacobeans. Aphra Behn's The Rorer, written in 1676, is therefore a good choice as it shows the banished cavaliers led by Willmore ("The Rover") roistering through a Lenten carnival dur-ing the interregnum, Charles II biding his time at sea. with Willmore's friend Belvile; her brother is threatening a

The particular licentiousness of the Restoration finds brilliant expression in the specific loca-tion of this comedy in a foreign climate. It is set in Naples and in his own career the development of modern architecture. His great church of St Leopold "am Steinhof" is the star of John Barton has removed the action to an unspecified vaguely and didner and didn John Barton has removed the action to an unspecified vaguely mediterranean limbo and peopled it with gibbering idots who represent only the worst excesses of old-fashioned Restoration comedy playing. In some respects his adaptation is convenient. He moves around many scenes, most effectively starting with the three sisters declaring their intentions before the advent of the swaggering visitors.

Mrs Behn was no stylist to rival Dryden or Etherege but this play is remarkably dynamic and it posits a radical feminist wisdom who regrets the lack of a calm middle way between formucation and murder. She embodies the subtlest of Mrs Behn's reflections on marriage. Imagen Stubbs plays her copyly and eye-catchingly as a dimpled ingenue, ignoring entirely the humourous inflections of a determined heroine. An overriding mood of frenetic emptiness is confirmed with the arrival of Jeremy Irons as Willmore is an impoverished piratical opportunist whom Mr Irons feels entitled to project and it posits a radical feminist

wisitors.

Mrs Behn was no stylist to rival Dryden or Etherege but piratical opportunist whom Mr this play is remarkably dynamic and it posits a radical feminist argument of equal opportunity in the sexual promiscuity stakes.

The RSC has had success Hellena, "the mald designed which the text simply cannot with Vanbrugh and one of the for a nun," demands sexual support. What we miss, beobjectives in the Swan is to liberty as a condition of marching deeper into the Restoration riage to Willmore, while the ficiality, is any sense of that cause of the roughhouse super-ficiality, is any sense of that fine line drawn and doodled around by Mrs Behn between the brutality of rape and the art whore Lucetta, a victim of the slave trade which Mrs Behn had seen at first hand on her Carib-bean travels, declares that base means must be used to secure dignified ends. of seduction. Hellena is resisting the nun-nery, while Florinda (Geraldine Fitzgerald) has fallen in love

This is where the play is interesting and where the RSC simply throws in the towel. willmore's promiscuous temperament is in fact treated as a medical condition but Mr Irons goes no further than an exhibitionist display of preening vanity. While toying with Hellena, Willmore is bewitched ner brother is threatening a shotgun marriage to a viceroy's son with a jointure. The third girl, Valeria, promoted in the plot by Mr Barton, is an agent of deceit and disguise.

Hellens is a wonderful cl:aracter, full of poise and inslpient wisdom who regrets the lack of a calm middle way between for-Hellena, Willmore is bewitched by "The famous Paduana" (a deleted epithet here) Angelica Bianca, an expensive courtesan. As the achronymic AB, in whom some commentators have seen Mrs Behn herself, Sinead Cusak gives the show's best performance, losing her heart to Willmore and registering a firm progression from haughty materialism to avenging spite.

whatever this production does—and I fear it will be little—for the RSC policy in the Swan, it certainly forges some links if only with the frantic style of Restoration comedy before William Gaskill cleaned it up at the National Theatre 20 years ago. Mr Irons has subdued support from Hugh Quarshie as Belvile and Peter Guinness as another gallant.

Così fan tutte/Covent Garden

Richard Fairman

Few operatic scores unite text and music so completely as Cosi fan tutte. It is no surprise that Mozart's widow, 40 years after the event, chose to single out the quintet "Di scrivermi" Nor in Cosi from all his operas: with clear affection she recalled that, as the sisters bid farewell to their lovers in halting, broken as the sisters do tarewen to their lovers in halting, broken phrases. "you could actually fancy the sobs and tears of the performers." All that is comic and serious about the piece is the piece in the mucie

character.

The young Finnish soprano
Karita Mattila certainly did not
make much of these delectable
sobs in "Di scrivermi." Nor
did she find much outrage in
the wide intervals of "Come

The men made a less interesting pair, John Aler's Ferrando
has a useful voice, well-focused
and bright, but none of the
softer, more romantic tone that
one would also like to hear in
the wide intervals of "Come

did she find much outrage in one would also like to hear in the wide intervals of "Come scoglio," as Schwarzkopf once did. But in the more general matters of musicianship, of significantly, the coarse and secure singing and dignified stage bearing, this was a truly that came through loud and splendld Royal Opera debut, giving rise to much hope for the future.

As poice alone, she carries beated her delightful Despina

One of the virtues of the Royal Opera's current production is that it lets the performers make of the score what they will. Since 1968, when it was new, the production has hosted revivals that have ranged from serious social comment to—its least agreeable manifestation—pure farce. Now the roles of the lovers are being taken by four new young singers, all well prepared, though none of them as yet uses the details of the work to

Cheltenham Festival/Cultivating specific themes

David Murray

The 42nd Cheltenham International Festival of Music is reassuring ration of familiar now in mid-rum, and running works (but even some of the surface) is reassuring ration of familiar now in mid-rum, and running works (but even some of the eceptively simple, and melting very strongly too. For some years it faitered: its speciality new British music, which went down well enough in Cheltenham in the days when it sounded pretty much like old British music. As the 1960s approached, the newest music suddenly sounded scarectly at all like that, and went down much less well; the festival tried to steer its way cautiously down the middle of the-road—a place where you are likely to get run over—but in fact the older type of rehicles were going out of manufacture. Cheltenham programmes declined into safe repertoire, clearly interest. This year is more fun, with a briefly varied, ingeniously a british in fact, ilistening to Cherubini.

This year is more fun, with a briefly varied, ingeniously a composition. The special manufacture is the properties of the prickly object men of the prickly simple, and melting before your ears. The Adagio is before your ears. The Adagio is reasouring ration of familiar now in that deceptively simple, and melting of deceptively simple, and melting of cheeptively simple, and melting of cheeptively simple, and melting of cheeptively simple, and melting of cheeptive simple, and eceptively simple, and melting of cheeptive simple, and eceptively simple, and melting of cheeptive simple, and interest of cheeptives

else's interest.

This year is more fun, with a brightly varied, ingeniously balance programme that doesn't pretend to be all things to all men, but cultivates different and specific things assistent and specific things assistent tags expressive possibilities that sansiversary; three late-middle generation "composers in residence," well represented, but also a bold spectum of music by the specific interest.

This year is more fun, with a brightly varied, ingeniously balance programme that one hearts a forgotten alternative one hearts and suddences and addences and addences are going to welcome it whole children from 1938-89, consisting of fine from 1938-

oversize Amati. The viola com-mands the drama so decisively, indeed, as to make Saxton's notes about its "lonely voice" seem somewhat beside the point, but the piece loses noth-ing by that. In collecting the traditional four movements within its unbroken span it may look bedreized but with no

Special idiom. The Viola Concerto, musically denser but never opaque — the reticent timbre of the solo instrument is brilliantly catered for—makes a continuously exciting 20-odd minutes, and here Saxton's chiarescuro is luminous.

Silverthorne carried the extraordinarily taxing solo role triumphantly on his sumptuous evarsize Amati. The viola companies of the reticent much the same. Nor did Philip by Side by Sondheim, the musical revue chiefly based on items from Company and (still to be seen in London) Follies.

The original format was two planes (one of them still played, impeccably, by Stuart Pediar), four singers and Ned Sherrin. This latter compère's sibly and unapologet to the show's advantage. We struct to the show's advantage. We struct the first of the show's advantage. We show's a trumpted between the first of the show's advantage.

The original format was two planes (one of them still played, impeccably, by Stuart Pedlar), four singers and Ned Sherrin. This latter compère's role has been jettisoned, much to the show's advantage. We now have a songbook bulging with riches, all four performers providing minimal linking remarks. The sole survivor is David Kernan, who has never sung better, poignantly mellifuous in "I Remember" ("I would gladly die for a day of sky") from Evening Primruse and "Anyone Can Whistle" (the show to be seen in Britain at last at the Cheltenham Everyman in the Autumn), poisonously sarcastic in "Leave You" from Follies.

Langton pins you to your seat in the yound syour to your seat with open in the lovely "Miller's Son." With George (fleetingly represented in a final medley).

Mass. Langton, irrepressible in the lovely "Miller's Son." With George (fleetingly represented in a final medley).

The late-night spot for the next two weekends is taken by lyrics by one David Zippel to music by no less than eight composers of whom we only song to music by Richard Richards, a mysterious and occasing is the presence of Angela at last at the Cheltenham Everyman in the Autumn), poisonously sarcastic in "Leave You" from Follies.

Langton pins you to your seat With George (fleetingly represented in a final medley).

The late-night spot for the next two weekends is taken by lyrics by one David Zippel to music by no less than eight composers of whom we only song to music by Richard Richards, a mysterious and occasing alone. He should write, sonally "disappearing" sort of sakey" of the first of the covery and the survivor's and no doubt will, for Shirley performer who comes magnificantly for Shirley at last at the Cheltenham cently good in "Send in the Clowns" and the survivor's and no doubt will, for Shirley performer who comes magnificantly for Shirley and the survivor's and the survivor's and no doubt will, for Shirley performer who comes magnificantly for Shirley and will for a day of the composers of whom we only single for its ou

Side by Side by Sondheim/Donmar Warehouse

Michael Coveney

"Show People '86" continues own narrative and emotional Mr Pedlar is joined by at the Donmar Warehouse in context, none more so than the Jonathan Cohen on second Covent Garden with a tenth pulsating trio "Getting Married piano, the slick direction by Mr anniversary production of Side Today," or, also from Company, Kernan and Lindsay Dolan by Side by Sondheim, the musi-

gifted quartet is Tim Flavin, the star of On Your Toes, who

complaint that the show has Just as she did in the not been updated to include London priemière, Diane songs from Sweeney Todd, Langton pins you to your seat in the lovely "Miller's Son" with George (fleetingly repreballed from A Little Night Music. Miss Langton, irrepressibly and upanologetically and upanologetically series and series a

feisty American Nancy Lamott, the black and rocky Shezwae executes a superb tap routine
In Tulsa's song from Gypsy and
exudes a greater general proficiency than I had been led to
expect.

The black and rocky Suczya
Powell, and the jazzily eloquent
Jacqueline Dankworth. Next to
them, Graham Bickley can only
look sorry for himself, which
he does and unmistabeably is.

Arts Guide

Music/Monday, Opera and Bellet/Tuesday. Theatre/ Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

July 11-17

Music FRANCE

Aix-en-Prevence (July 3-Ang 2): Opera Festival: Don Giovanni, Idomeneo, Tancrede, Ariadne auf Naxos, reci-Handrede, Arlands and Naum, rectals by Margaret, Price, and Jorge Bolet, de Vittoria, Palestrina, Strauss, Mozart, Mendelssohn, Beethoven, Bach, Vivaldi concerts.

Sully-enr-Leire (July 4-Ang 2): Chamber music by Quatuor Brandis, Prague Suk Quatuor, Salzburg's Mo-zarteum's Camerata Academica, zerteum's Camerata Academica, Teresa Berganza recital, Aldo Cicco-lin's and Alexis Weissenberg's pia-no recital alternate with La Nuit du Jazz, the Cambridge Buskers and orchestra playing Verdi's Requiem, Beethoven, Wagner and Prokufiev (3836 2946).

Values la Ressaine (July 6-Aug 1): The Theatre Antique is a perfect track-drop not only for Maurice Bejart's ballet, Sonte Lifar and Maguy Mar-in's compstay but for Moscow's Vir-tuosos, Lyon's Opera Orchestra con-ducted by Stefan Soltesz, with Fran-cois-Rense Duchable as soloist in a Light connects and Remembries State Liszt concert, and Romania's State
Orchestra ending the festival with
Besthoven's 9th Symphony

The Choir of New College Orderd with
Edward Higginbotton as conductor
and organ soloist (Tue). Sainy-

Festival Mediterranean from the Pyrenees to the Cote d'Ann (July 5-Aug 29). Perpignan: Orchestras from Toulouse, Strasbourg, Lyons, and the London Symphony Orchestra conducted by Lorin Maszel. Amelie les Baing: Narciso Yepes, guitar.
Extract. Minus. Angel Estralla, pla-

Raimondi, baritone. Cassis: Academy of St Martin in the Fields, Salon de Provence; Montserrat Caballe, soprano, Jean-Pierre Rampal, fante, Marielle Nordmann, harp, Alexis Weissenberg, plano, Cap d'Adge: Eda Moser, soprano, Moseow Virtuesos, Vladimir Spivakov, and Barbara Hendricks recital. ra Hendricks recital.

Montpellier (July 13-August 4): A fes-tival of recitals by Christa Ladwig, Montserrat Caballe and Teresa Zy-llagara, with five different sym-phony ovohestras conducted by Erich Leinsdorf, Claudio Abbado, Marek Janowski, John Eliott Gardiner; six chamber music ensembles and ancient music ensembles, with and ancient music ensembles, with Alexis Weissenberg, Aklo Ciccolini; Andrea Schiff as piano soloists and Andrea Sehiff as piano soloists and Pierre Amoyal as violin soloist; Scott Ross giving a harpsichord recital: All of which culminates in a homage to Franz Liszt on the hundradth anniversary of his death (0766 0002).

Duo Arisana Geldina, Remy Löum-bruzo, planos: Lizzt (Tue Spin). Audi-torium des Halles, 5 Porte Saint-Eustache.

Kisabeth Chojnacka, harpstoord, Yu-mi Nara, soprano, Maurice Ohana, piano: M. Ohona's compositions (Wed). Auditorium des Halles.

Groupe Vecal de France conducted by Michel Tranchant: Schutz, Palestri-

Jerge Bolet, piano: Liszt (Thur). The Law Faculty 92, Rue d'Assas. All these concerts are part of the Paris Festival (4764 9080). (4729 8898).

LONDON

Lendon Philharmonic Orchestra, conductor Klans Teanstedt, Sblomo Mintz violin: Beethoven, Fastival Hall (Mon). (928 3191). Yehndi Mesuhin School Orchestra with Sir Yehndi Mesuhin, director/

with Sir Yehudi Mambin, director/
violin in a 70th birthday concert Elgar, Bartok, Vivaldi, Barbican Hall
(Mon), (538 8891).
Carl Flasch Interpational Violin
Competition finals at the Barbican
Hall (Tha, Wed, Thur),
Bournemonth Symphony Orchestra,
conductor Louis Fremanz, Michel
Delbarte piano Patter Hurford del Delberto piano, Peter Huriord or-gan: Bizet, Satte, D'Indy, Saint-Saens, Festival Hall (Wed). Loutano, conductor Odeline de la Martinez, Shelagh Sutherland, piano: Steve Martland, Constant Lambert, Richard Rodney Bennett, Elizabeth Hall (Wad).

na, L. de Pahlo, Daniel-Lesur Spoleto (29th two worlds festival): Tea Consortium Musicum Alte Universität (Thur). Auditorium des Halles. tro Caio Melisso: midday chamber led by Martin Sieghart with Ingrid

music concerts every day. (4 02 65); Concerto in Piazza: Christian Badea conducts the Spoleto Festival Or-chestra, the Westminster Choir and the Santa Cecilia Academy Choir in Verdi's "Stabat Mater" and Berlioz's

Verm's Stanat Matter and Bernie's To Deum (Sun), 4 02 65). Seme: Plazza del Campidoglio: the S. Cacilia Chamber Orchestre, with pi-anist Alexander Looquich playing Mogart's Eine Kleine Nachtmusik and pismo concerto in D major, and Bimboni's Venetian Carnival for triba (played by Luciano Leonardi) and orchestra (Fri). On Thursday, Bruno Aprea conducts cellist Rans Helmerson in Dvorzak's Cello Concerto and Tchaikovsky's Symphony . No 5. (654 1044).

NETHERLANDS

Insterdam, Nieuwe Kerk; organ reci-tal by Jacques van Oortmerssen. Burtehude, Bach (Thur). (208 168).

Mostly Mozart Festival (Avery Fisher Hall: Jean Pierre Rampal flute with John Steel Ritter piano, Lettle Pithler.

hilippe Lefebyre, organ: Couperin, Cornet, Roberdays, Franck, Dupre, Augustinerkirche (Fri). Hall (Wed).

Craig Sheppard, piano: Chopin, Scriabin, Beethoven. Elizabeth Hall (Thurs).

Phitharmonisa Orchestra, conductor Simon Rattle, Katia and Marielle (72 12 11). (Sat).

Simon Rattle, Katia and Markent Labeque, pianos: part of the Après Paprès midi season of French music: Haydn Simonietta with Ilse Wincor, viola: Mozart, Haydn (Sat, Wed); Ludwig Mueller, violin and Georg Hamann, viola: Mozart, Haydn (Mon), Both at Palais Schwarzenberg.

Sieghart, soprano: Nejez' Missa Pro Vita Ascendente, University Church

Hungarian National Philharmonic Ortelegaran remonst ramarmense or-ebestra conducted by Erwin Lukaes with Deszsoe Ranki, pianot Kodaly, Liszt, Bartok, Arkadenhof (42 800/20 85). (Tue).

Hungarian National Philharmonic Or-chestra conducted by Peter Eroes with Stefan Ladar, piano: Respighi, Besthoven, Brahms, Arkadenhof. (Thur).

NEW YORK

New York Philharmonic (Central Park): Pree concert conducted by James Conion with celebrate Bastille Day followed by a fireworks display (Mon).

nas, cello. Mozart, Weber, Kuhlan, Czarny (Mon); Festival Orchestra. Gerard Schwarz conducting, Jean-Gerard Schwarz commung, sem-Pierre Rampal flute. Haydn, Mo-zart, R. Strauss (Tue); Claudio Sci-mone conducting, Michala Petri re-corder. All-Vivaldi concert (Thur). Lincoln Center (874 2424).

WASHINGTON

Summer Restival (Concert Hall): High-lighted by a visit from the Newport Folk Festival in August, this sum-mer-long string of popular singers and musicians includes recital per-formance Nell Sedaka, Shirley Bassey, Dinne Warwick and Petula Clark Ends Aug 27.

CHICAGO

lavinia Festival: The 51st season, honouring Mozart on the 230th anniversary of his birth and Liszt on the 100th anniversary of his death, continues with Jon Hassell Concert Group (Mos); Alfred Brendel piano recital. Beethoven, Liszt (Tue), Highland Park. (728 4842).

Tokyo Philharmonic Orchestra. con ductor David Shallon, Mariko Sen-ju, violin: Tchaikovsky, Mendels-sohn, Tokyo Bunka Kaikan (Wed). (405 8081).

New Japan Symphony Orchestra, con-ductor Takashi Asahina: All Mahler programme. Tokyo Bunka Kaidan (Thur). (985 4836).

Saleroom/Antony Thorncroft

From the sands of Araby

ing its hands, which would have gadgets, including a pick, a held a spear, but it has a Corin-spike and a spatula. It would

sale, are a large olive green documentary evidence exists to mould blown glass "lotus bud" support this thesis.

markable items in its antiquibought in at £110,000.

Traditional Japanese music from the Edo Period (17-19 century): Kiyari, Edo Matsuri-bayashi. Tokyo Summer Music Festival (Thur).

Contemporary Japanese music pieces for Shaku hachi (bamboo finte) and koto (borizontal harp) by Kifu Mitsuhashi and Nanae Yoshimura ABC Hall, near Shiba Park (Thur).

markable items in its antiquibought in at £110,000.

The successes included another was entering. "Pharaoh's decorated with drinking scenes, horses." which more than a space for ice between the £297,000.

In the successes included another was entering. "Pharaoh's decorated with drinking scenes, horses." which more than a top forecast of £60,000, while early George III serpentine mahogany double-sided kneemale items in its antiquibour antiquibour than the successes included another was entering. "Pharaoh's decorated with drinking scenes, horses." which more than a top forecast of £00,000, while early George III serpentine mahogany double-sided kneemale items in its antiquibour than the successes included another was entering. "Pharaoh's decorated with drinking scenes, horses." which more than a space for ice between the £297,000.

At Sotheby's on Friday and the "Achavrail" armlet, dating mahogany double-sided kneemale items in its antiquibour than the successes included another was entering. "Pharaoh's decorated with drinking scenes, horses." which more than a top forecast of £00,000, while early George III serpentine mahogany double-sided kneemale items in its antiquible.

A bronze figure less than is a massive bronze armlet with seven inches high of a Spartan warrior, which can be dated to the decade 540-530 BC, is offered for sale at Sotheby's today. Bids up to £50,000 are expected. The figure is one of a dozen known to have survived, but it is unique in that it surfaced in a remote part of southern Arabia. It was bought, for a pittance, by the father of the vendor in 1949. It is missing ing its hands, which would have gadgets, including a pick, a thian helmet.

Also on offer, in an antiquities

seen to be the perfect kit for a travelling soldier, although no

Vienna Strauss-Lebar Orchestra: beaker of the second half of the first century AD, a type which turns up throughout the Roman All, U-Port, Gotanda (Wed). (Wed). (Wed). (Wed). (Chamber Music: Tokyo Summer Music: Festival: Mozert, Shostakovich, Prokofiev, Tehaikovsky. Asahi Hall, Yurakucho, near Ginza (Wed). (Wed). (1980 6060). Christie's has even more re-markable items in its antiqui-bought in at £110,000.

FINANCIAL TIMES

Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Monday July 14 1986

Commonwealth matters

AS THE DRAMA of "what monwealth pressure. happens next in South Africa?" South Africa w happens next in South Africa?" South Africa was always develops, increasing attention bound to be a bigger test. It is likely to be given to the is an independent country with future of the Commonwealth. great resources and the capa-What is this amorphous body city to resist external pressures

a burden?

The answer is that it is both.
The Commonwealth is a blessing to Britain because no other former imperial power—and no superpower either—maintains such a range of contacts around the world. Almost every other power, including the superpowers, would be delighted to have such connections. France has them in a delighted to have such connec-tions. France has them in a smaller way with its former colonies of Africa and shows no sign of giving them up. The Commonwealth is different in that it is composed of a number of developed as well as deve-loping countries, huge nations as well as mini-states. There is nothing else like it. Member-ship enables people to talk to each other in a way that they

Broader dialogue

There is no reason why that should have changed since. Britain became a member of the European Community. On the contrary, the Common-wealth countries and the Community have become much more conscious of each other's existence in a kind of mutual existence in a kind of mutual learning process. The dialogue has broadened. Equally it has proved possible for Britain to belong to the Community while maintaining a close relationship with the US. The advantage for the rest of the Community while it hat the links monwealth is that the links with Britain help to provide links to a wider world. The burden for Britain is

that the Commonwealth some-times asks too much. This is not a new development. Threats of withdrawal by some of the African members were quite Rhodesia finally became Zim-babwe with the help of the Commonwealth front line that should not be lightly Commonwealth front line that should not be lightly states. They could not have achieved it without Britain, but of British diplomacy that needs equally Britain might not have acted as it did without Comaccount in the next few weeks.

that regularly seems to have for a long time to come. Yet Britain in the dock, frequently threatens to break up, yet somehow so far has always managed to survive more or less intact? Is it a blessing or a burden?

The answer is that it is both.

British policy by withdrawing from the Commonwealth Games from the Commonwealth Games in Edinburgh, and other states may follow. That can be overlooked as one of the hazards of international sporting events: bigger states have withdrawn from the Olympic Games before now. It is a gesture rather than a policy. They need to think very carefully whether withdrawai from the Commonwealth altogether would facilitate the desired end of majority rule in South Africa. After all, staying in means that they can

is ultimately more important than South Africa if only because it is so large. It would be very foolish to allow it to come apart because of disagree-ments over South African policy. That is one of the reasons why Britain must be prepared to move some way towards a Commonwealth position if President Botha persists in his refusal to introduce

requent as Britain struggled to deal with the problems of Rhodesia's illegal declaration of independence, yet it held together in the end. Indeed Rhodesia finally became 7m.

What is at stake is not just "what happens next in South Africa?" It is also "what happens next in the Commonwealth together in the end. Indeed Rhodesia finally became 7m. happens next in the Common-wealth?" For all that the Commonwealth can be a burden, it is also a blessing that should not be lightly

Union ballots fair and foul

IN ITS aim of encouraging much more widespread use of balloting by Britain's trade unions, the Government's 1984

Trade Union Act has been retained the seeking power will want those seeking power will want those seeking power will want the seeking power Trade Union Act has been remarkably successful. The legistation has prompted a big increase in union balloting, and feetly proper: the difficulties neither the Labour Party nor the TUC wishes to draw away from ballots as a principal, if not the principal, method of the principal, method of the principal, method of the principal despite.

action is only the latest example
—balloting has produced the
trade union moderation which
seemed to be the Act's covert
ambition. Away from the headlines, a clear majority of strike
ballots is running in favour of
industrial action, rather than

securing its rejection.
But balloting is not without its operational difficulties. Last year, the Transport and General Workers' Union had to re-run both its general secretaryship ballot, and part of its elections ballot, and part of its elections for the union's executive. Membership complaints to the Government's Certification Officer forced another TGWU executive re-run, and one in the National Union of Railwaymen. The High Court will today re-run, heaving of complaints sume a hearing of complaints arising out of the general secretary's election in the Civil and Public Services Association.

Relative merits

larities tend to revive arguments about the relative merits about the relative merits of postal vers"s workplace balloting. The devout adherants of funds, for example, featured depostal voting, among them the EETPU electricians and AEU engineering workers, claim they are incorruptible, and provide fic statements published well in the only true reflection of membership feeling. Supporters of workplace ballots say they maintain unions' traditional collective role, and make the unions themselves. Many of the ballots on the cause of the traditional collective role, and make the unions taken by unions themselves. Many of the ballots on the cause of the traditional collective role, and make the unions taken by unions themselves. Many of the ballots on the cause of the tradition of unions' political traditions of themselves. Many of the ballots on the cause of the tradition of unions' political traditions of themselves. Many of the ballots on the cause of the tradition of unions' political traditions of the tradition of unions' political traditions of the tradition of more representative of their enhancing further the unions' members through significantly satisfaction with their clean

whatever hewit internal democratic or the gains that unions now processes have secured through embracing ballots, the task is accept have been forced upon to ensure that those ballots them by the Government's legislation will count for little work properly, and work fairly. lation will count for little.

not the principal, method of union decision-making, despite reservations to be voiced by some unions this week.

In well-publicised cases—last week's vote by railway workshop employees against strike action is only the latest example the union of balloting. The comtant of the union moderation which bination of the two may at the bination of the two may at the

Today, the Industrial Society, in the shape of Mr Alistair Graham, its new director, whose resignation as CPSA general secretary to take up his job precipitated the now controversial election in the union to find his successor, urges the Government to draw up a code of practice on the conduct of workplace balkots. In rueful anticipation of no such move being tion of no such more being sports Jacket. Nicholas Jones. made, the society will take the initiative by drafting such a framework itself.

Such a move is to be welcomed; more welcome still would be a positive response from the Government. But perhaps even more encouraging are the steps that have already been Allegations of ballot irregularities tend to revive argu-ments about the relative ments about the steps that have already because by unions themselves. Many of the ballots on the ments about the relative ments about the

higher turnouts.

But in practice, such arguments are barely relevant. What ments are barely relevant. What the 1984 Act has overwhelm-ingly produced is workplace balloting; if unions are to maintain whatever newly-found credible. But properly run they must be,

STANDARD CHARTERED FIGHTS OFF LLOYDS

Rescued but at a price

By David Lascelles, Banking Correspondent

C TANDARD CHARTERED'S last-minute escape from Lloyds Bank's £1.8bn takeover bid on Saturday has just about everything the finan-cial thriller writer could want. The world's biggest attempted bank takeover, fabulously wealthy oriental investors riding to the rescue, hurrled meetings at airports, and a naibiting climax in the City of London.

But dramatic and unexpected as the outcome of the three-month battle was, the real themes of the Standard story may well turn out to be rather more sobering ones: the ease with which a tiny group of well-heeled, determined investors can pick up a controlling stake in a major interational bank, and the highly uncertain future which that greates of Standard

In the UK this could well in-fluence the shape of the new Banking Act which is currently under consideration and will contain a section defining concontain a section denning con-trolling interests in banks. Abroad, particularly in the Far East where Standard is one of the biggest banks in many regional markets, the bank's federal character is bound to be loosened possibly to the point

As he celebrated his victory in Saturday afternoon, with on Saturday afternoon, with Schroders, his merchant bank-ing advisers, Mr Michael McWil-liam, the group chief executive, said: "Standard Chartered will never be the same again."

wealth altogether would facilitate the desired end of majority rule in South Africa. After all, staying in means that they can still exert pressure on Britain and its industrialised extners. The South African problem is more likely to be resolved by a united outside world than a divided one.

At the same time, the strength of feeling in the Commonwealth is something that Britain must take very seriously. The Commonwealth is ultimately more important than South Africa if only

By Friday, Sir Y.K. had spent over £180m buying up 15 per cent of Standard's shares. He wiled away Saturday morning playing golf and flew home that night after what must rank as one of history's biggest shop-Standard's ability to summon

its Far Eastern friends has turned out to be crucial. Tan sian businesman, bought 5 per cent, Mr Robert Holmes à Court of Australia's Bell Group had 7.4 per cent, 40 smaller Hong Kong customers had up to 10 per cent. Even Mr "Tiny" Row-land of Lourho got 2 per cent. All told, Standard could count on about 40 per cent of the vote by Friday night, and none of its friends yielded to Lloyd's lastminute efforts to turn them

But grateful though Standard must be for their aid, their motives and intentions are far from clear, particularly since they will all be sitting on large paper losses the moment the London stock market opens this morning if—as is widely expected — Standard's share price falls.

In the minds of the Chinese

THE THREE businessmen from Hong Keng and Australia who eame to Standard Chartered's aid last week showed that the bank can count on powerful friends.

Sir Yue-Kong Pae, who bought 14.9 per cent, is Hong Kong's best known business magnate and one of the world's biggest ship-owners. He is also a banker by training. At 68 he travels by training. At 66 he travels the world with a set of skip-ping ropes to keep fit and has amassed a personal fortune of ever HES3bn. He would not have invested a fair portion of that in

tandard without good reason uce he does not have a reputation as a philanthrop been acting with the interests of the Hongkong and Shanghasi Bank in mind, associated for many years.
By frustrating the takeover,
he could have made Lloyds
Bank a ripe target for the
Hongkong Bank which is looking for a European acquisi-

The alternative view-that he expects parts of Standard to be floated off—is also to be floated off--i Tan Sri Khoo Teek Puat,

the Malaysian businessman with interests in property, hotels and banking, is a longper of the Sta bank and since last week a 5 per cent shareholder. He believed to want to shift more of his wealth to the UK, where he recently beught a 23 per cent stake in Exco, the finan-

Although Khoo and Pao beught their stakes in Stan-dard separately, the extent to which they might now co-operate as shareholders could affect the bank's future. They have been depicted as bitter rivals after their takeover clash last year ever Whoeleck Marden, the Hong Kong, shipping and trading group, but are probably less hostile but are probably less hostile than thought. Neither sold his Standard shares on learning on the other's interest.

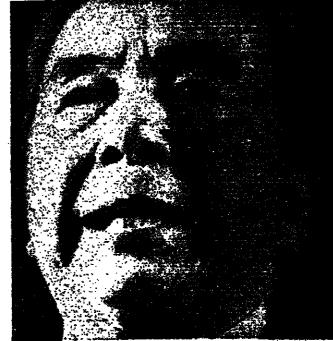
Mr Robert Holmes à Court, the Australian who has 7.4 per cent, is one of Standard Chartered's largest customers npted takeover of Broken Hill Proprietary with a A\$2bn credit facility. In Sydney, the view is that he

decided to respond to Standard's call for help in

order to protect a relation-ship that could have been jeopardised by a Lloyds victory. Known as both an oppor-tunist and a masterly finan-cial tactician, Mr Holmes & Court took over Lord Grade's Associated Communications Carp, in 1982 after a pro-tracted struggle and now runs a worldwide business from his

He has also amassed large profits by dealing in substantial stakes in companies such TXT, and Assrco.

All three men were in London last week and personally directed the acquisitien of shares in Stan



Sir Yue-Kong Pao: a seat on Standard's board

investors, at least, appears to have been genuine concern about Standard-which they have known and dealt with a mixed reputation in the Far dard customer, though as a for-East. The Chinese Government mer deputy chairman of, and

But while some motives may be less easy to discern in the West, the investors support could also owe something to the give and take that exists in all McWilliam denies that Hong offered "funny facilities" in return for their votes, Some of the new shareholders are certainly long-time customers of the bank. Tan Sri Khoo, for instance, has known Standard for more than two decades.
Standard Chartered also put up
a A\$2bn facility—its largest
ever according to Mr McWilliam

Broken Hill Proprietary. That bid is still in the air. Mr Rowbusiness by Standard Chartered

Only Sir Y. K. is not a Stanthe UK Government why it was allowing the bid to go ahead.

But while are to have asked now consultant to, the Hong-kong and Shanghai Bank, he has a strong interest in the has a strong interest in the shape of the colony's banking community where Standard ranks No. 2. Although sugges-tions that he wanted to save Lloyds for a later bid by the Hongkong Bank seem a little far-fetched, he could now end up as the colony's biggest bank

> He will be offered a place on Standard's board. Whether the invitation will be extended to any of the other supporters remains to be seen. But Stan-dard today is an institution with a dramatically different set of shareholders, some of whose motives and loyalty will be doubted by the market, but whose taste for good returns on

The most plausible explana-tion for this sudden show of friendship is that the investors have calculated the value of the many parts that make up Stan-dard's far-flung global empire, and aim to realise them through some form of individual flota-tion. This may not amount to anything as dramatic as a break-up of Standard Chartered. But or so, there are bound to be Asi major developments.

Mr McWilliam has for some time favoured the idea of boosting value for his shareholders. Mid by realising some of the group's Sour assets which he believes are not Eur reflected in the share price. So he would support, and possibly even lead, efforts to sell off parts of what he calls "the

finance his bld in May for federation." "We have to make values work," he said, adding that Standard now wants to get its after-tax return on capital up to 15 per cent from 10.5 per ce last year (Lloyds is expetcing 17.7 per cent in the first half of

To start with, Standard could sell and lease back its new City headquarters in Bishopsgate. The Hong Kong business, whi at the moment consists of 116 branches and £3.7bn in assets serving over 1m customers, could be locally incorporated and partially floated on the Hong Kong Stock Exchange. Sir of swapping his interest in the group for a major stake in Stan-dard Chartered (Hong Kong).

In the US, Unon Bank, the California subsidiary now valued at close on \$1bn, might issue its own shares to finance its next acquisition rather than draw on the group's cash re-sources. In Singapore, Malaysia has just been admitted as one of the first batch of 16 foreign banks), similar local incorporations would be possible.

scheme in which the best parts a week before buying more).

of Standard were partially sold off is that it would leave the core of the group with the worst of the business. The bank of confidence by depositors. would also be left holding all Although confidence in Standard has not been damaged, it must be a matter of public concern in Britain that effective control of large bank can pass a quickly to insection on the of Standard's cross-border in ing, which could be risky, and virtually no direct source of retail deposits. Standard would still have to pay its dividends in pounds even though most of its earnings would be overseas. so quickly to investors on the far side of the world, some of Whether such a scheme would get past Standard's board, many of whose members are still "old empire" as one observer put it, The White Paper on Banking Supervision published has December proposed that any in-vestor seeking to buy 15 per

remains to be seen. A close, though A close, through shent observer of last week's events was the Bank of England. Although the Bank opened the way to the battle over Standard by raising no objection to Lloyds' bid in the first place, the outcome cannot be wholly satisfactors to Theodorachia Standard factory to Theardneedle Street. Under the present UK Banking Act, an investor is deemed to have a "controlling interest" with 15 per cent or more. This is why Sir Y K stopped at 14.9 per cent (though he was in close touch with the Bank all by the Takeover Code to wait

cent or more of a bank must seek the prior permission of the Bank of England. In the subsequent debate about the White Paper which will be transformed into a Bill later this year—it has also been suggested that the 15 per cent coiling be lowered. The Standard episode could rein-force that view, particularly in cases where customers end up owning large stakes in their banks and exposing themselves to possible conflicts of interest. As Birtain's first major hos-tile takeover bid, the Lloyds-Standard tussle has broken new ground by showing that market forces rather than the will of the Bank of England now previal. Because of that

The final chapter tandard's story has still written, and it may contain some dramatic twists for a unique institution which straddles Britain's colonial past and some of the world's most exciting and modern markets. The outcome will depend on whether the friends Standard called in at 24 hours' notice

COMPONENTS OF THE BANK

	Net assets (£m)	Net assets per share ()	
rth America ia Pacific	467.9 352	300.8 226.3	54 (Union Bank 48.9) 48.7 (Hong Rong 27.8, Singapore 15 (Iose Malaysia 25.2, Australia 6.6)
d East and S. Asis opical Africa ath Africa rope	56.5 107.1 136.5 92.8	36.3 68.8 87.7 59.6	4.4 48.2 35.6 4.7

will turn out to be the catalysts who change a business that has been built up over nearly one and a half centuries.

Bid Saturday Men and Matters

in the City If Saturday afternoons are supposed to be sacred the Take-over Code knows nothing of

such observances.
Lloyds Bank's bid for Standard Chartered expired at 5 pm on Saturday. Both banks were buzzing with bankers working most un-bankerlike hours.

At Standard Chartered's smart new HQ in Bishopsgate. with its steamy arboretum and wide open spaces, they had the champagne ready long before the news of Lloyds' capitulation came through — so confident were they that their Far Eastern friends had blocked the bid. At Lloyds it was a more workaday beer and sandwiches affair.

The only concession to the

weekend was in the bankers' rigs. Michael McWilliam, chief executive of Standard Chartered, wore an eye-catching sports jacket. Nicholas Jones, the Schroders man who advised

A crowd of well-wishers and friends were thronging the cor-ridors and the phones never stooped ringing.
In quick succession, McWilliam took calls from his son who

works for Sumitomo Bank in Taiwan and wanted to know the news, a German banking col-league who had found an obscure quotation from Pericles about the connection between courage and liberty, and finally Sir Y. K. Pao himself, who was from Gatwick to Hong Kong, He received, not surprisingly, a warm word of thanks from the bank for his £180m rescue

Quite how long Standard's euphoric mood survives the reality of three large, new and possibly impatient shareholders is now the ouestion. "We're going to address that pretty quickly. . on Monday morn-

Invisible clients The securities and investments refusals.

board, the new watchdog body

Sure enough the cars were

for the London financial markets, is considering what to do about shadowy international "customer agreement letters" which will set out the precise individual relationships between investment firms and their clients. Firms will not be able to act unless they have a

That has now become a tricky That has now become a tricky issue for London merchant banks and other investment advisers who have long enjoyed a sizeable business with foreign investors. London is currently viewed as more secure than Switzerland by many discreet international investors. Such clients see the need to put their signatures to documents as a worrying threat. The chance of that evidence

The chance of that evidence ever falling into the wrong hands might be tiny. But, if it did, the consequences for many third world investors could vary from confiscation or imprisonment to a death sentence. ment to a death sentence. At the least the wealth has probably been stached away in

contravention of national ex-change control regulations, and without payment of taxes.
The SIB, I am told, may be sympathetic to the embarassment of London investment advisers, and may be prepared to overlook the customer agreement for special cases.

Old habits

When Austin Rover decided to offer samples of its newest and most glamorous model, the Rover Sterling (£18,800 with "soft leather seating") to a select list of some 30 of Britain's great and good for a two-week trial the British car maker did not anticipate

RETURN

enthusiastically accepted such as Mrs Thatcher, Neil Kinnock, and other politicians, trade union leaders, and assorted vips.

However, a lone refusal sur-

prised and rather upset Austin Rover. It came from Sir Terence Beckett, director-general of the Confederation of British In-Beckett is, of course, a life-long Ford man having joined as a trainee in 1950 and risen to the chairmanship of Ford in

His official car is, invariably, the latest Ford. Some habits, it ns, are too ingrained to break.

In self-defence the CBI can point out that its president
David Nickson, chairman of
Scottish and Newcastle
Breweries, accepted his proferred new Rover with alacrity.

Taste for trusts

Under schlevers in the invest-ment trust sector heaved a sigh of relief last year when Matthew Cakesbott, aged

anounced that he was giving up the management of the £550a1 Courtaulds pension fund and setting up by himself. He had been outspokenly rude about the investment trust management trade, sugtrust management trade, suggesting that some two-thirds of the sector should be lique rated and, by implication, the managers sacked. And he had started putting his theories into practice by launching two successful hostile takeover bids himself

again to disclose he is taking over the management of the Scottish investment trust, Scottian investment trust, Stewart Enterprise.

Other trust managers must be wondering whether they, too, might find themselves succumb-ing to Oakeshott's charm as his

Link man

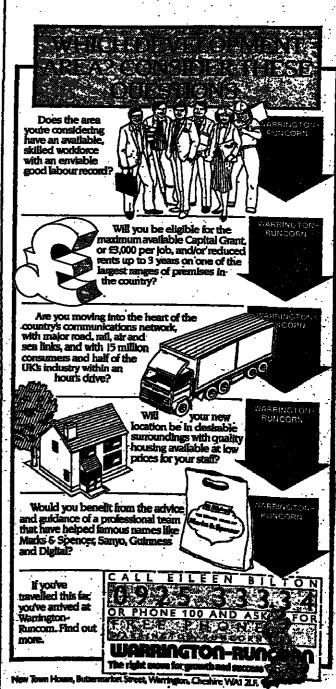
Michael Julien helped dig Mid-land Bank out of the pit created by the Crocker National Bank. Now he will be digging again — this time for the Channel Tunnel. After three years as Mid-land's finance director he

land's finance director be becomes one of the executive directors of Eurotunnel. He will be the top British man on the project under a French clear executive, who has yet to be named. His talks will include running

the British end, and drumming up £5hn of capital. His pre-vious careers in banking and construction (Balfour Beatty) will both come in handy. will both come in handy.

Apart from his financial renown (he dazzied and sometimes baiffied the City with his mastery of the Midland's balance sheet) Julien is well applied for an Angle Franch qualified for an Anglo-French position. As his dark Gallic looks and surname suggest he has French blood in him — his father was French. His brother practices as a lawyer in France Julien is going to the tunnel in response to a call from Lord Pennock, Eurotunel's chairman, and his former boss when

they were both at BICC.



a waiting game in its negotia-tions with the Russians.

was in a good position to do so, because of the yawning chasm between Mr Mikhail Gorbachevis public pronouncements and the formal proposals put forward. by Soviet negotiators in Geneva: the speeches sounded attractive, but the negotiating presentation

was in too many respects manifestly unreasonable.

Moreover, a waiting game was politically convenient for President Reagan, because it meant that he did not have to decide what adjustments he was prepared to make in his own
policies in order to get an arms
control agreement with the Russlans, and he therefore did not
have to arbitrate between the
waring factions of hawks and
dowes inside his administration.
That point has not yet been
reached, not by a long chalk.
The Russlans have made in-That phase may now be over, because in the last few weeks the position has been reversed. On a number of important issues the Russians have signifi-cantly softened their earlier stands; not enough to make them summatically acceptable, but enough to discredit the american accusation of immo-hilism, and enough to elicit re-newed interest from these, in Europe as well as in Washing-ton, who aeriously hope for a Soriet-American arms control

As a result, it is the Russians who may now be in a position to play a waiting game, and it is the Americans who need to

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in Moscow, and won from him some public commendations in return. This week Mr Eduard Shevardnadze, the Soviet Foreign Minister, holds talks with the British Government in London.

All this to-ing and fro-ing may on balance be good for the Soviet image, even if General-Chervov's truculent protestations were neither persuasive left Mikhell Gorbache nor endearing. But in terms of pletely empty-handed. serious business, it is little more
than diplomatic churning, since
the real focus of Soviet attention is elsewhere, in Washingtree and the could win the smiles

FOREIGN AFFAIRS: ARMS CONTROL

Hesitant steps on the summit threshold

By Ian Davidson

That point has not yet been reached, not by a long chalk. The Russians have made interesting proposals on strategic nuclear weapons, on President Reagan's Star Wars programme and the Anti-Ballistic Missile and the Auti-Ballistic Missile (ABM) treaty, on anti-satellite weapons, and on conventional forces. But even those western officials who are intrigued by these hints of Soviet flexibility, nemain residually suspicious of the Kremlin's real intentions.

And even if they discounted these suspicions, they would not expect an uninterrupted striptease, in which the Russians expect an uninterrupted strip-tease, in which the Russians would feel compelled simply in move step by painful step to-wards the US position: the time has come for the US to respond, by demonstrating some move-ment of its own.

is the Americans who need to decide how to respond.

In public, Soviet diplomacy and propaganda are just as active as ever. Two weeks ago Colonel-General Chervov, top arms controller in the Soviet yearns and at Chatham Rouse as well as more discreet talks in Whitehall.

Last week Mr Gorbachev lavished unusual attentions on President Francois Mitterrand in Moscow, and won from him some public commendations in return. This week Mr Eduard Shevardnadze, the Soviet Union.

At the first Reagan-Gorbachev Norman.

At the first Reagan-Gorbachev summit in Geneva last November, the President scored a remarkable triumph of evasion: he gave the convincing impression of a successful meeting, wonderfully stage-managed to the highest media standards, yet left Mikhail Gorbachev com-

ton is elsewhere, in Washington.

The Russians have obvious and the hand-shakes, without giving anything substantive interest in enlisting such support as they can get from tempted to believe that he has America's Europeam allies, as the option of pulling off the well as in trying to repudiate same coup twice, at the second charges that it is their foot-dragging which is holding up the negotiations. But they also some time this year, But Gorbaknow that Europe will not go chev wanted to deny him that



kind of cheap victory last year; tions of any major agreement he is likely to be more deter-mined this year.

No doubt he wants to go

The specific sore point, of course, is Star Wars (otherwise maker. But to sign a major known as the Strategic Defence agreement with the Russians Initiative): is Reagan prepared to countenance may restrictions they would stick to it. There on this anti-missile defence programme originally intended to administration who are many agreement with the Russians implies an expectation that they would stick to it. There are many vocal members of his areas are many vocal members of his known as the Strategic Defence Initiative): is Reagan prepared to countenance any restrictions on this anti-missile defence pro-gramme, originally intended to make nuclear weapons "impo-tent and obsolete," in order to secure the more limited objec-tive of a reduction in nuclear weapons? We do not yet know the answer to that question.

But the more general prob-lem is more serious: when push comes to shove, is he prepared to endorse the political implica-

pressed heavily on the need for tighter verification in any new

tighter verification in any new treaty.

But President Reagan must to hold it this year still stands; know, or at least he must have been told by his experts, that the process of actually no verification techniques can possibly guarantee 100 per cent compliance. If there is to be a world of its mistance that the major arms control experts a world of its mistance that the compliance arms of the compliance of the standard of the mistance that the condition for holding it is

age.

The less ideological governments of western Europe may be able to make this calculation. They oppose President Reagan's notice to abandon Salt Reagan's notice to abandon Salt II, and they may believe Mr Gorbachev's arguments in favour of arms control, both for its own sake, for the sake of international stability, and in order to channel more economic resources into domestic development.

Because of the controversy

time. If the US is to make new proposals in September which would be likely to give the Geneva negotiations a decisive forward push. President Reagan will first have to make up his mind, and then impose his decision on his fractious team. This is bound to be very hard for a President who does not understand the technical issues, and who has hitherto issues, and who has hitherto dealt with the dilemma princi-pally by evasion and procrasti-

to go for broke with some dramatic new offer, in the hope of tilting the balance in Washington, they have only one point of leverage: the second

compliance. If there is to be a major arms control agreement, it will have to be based on some degree of trust, on some calculation that the Russians have a common interest in making it sea-worthy, and that they would lose major political benefits by cheating, long before they could hope to gain any significant military advantage.

The less ideological governments of western Europe may be to be a manual United Nations meeting in September, which implies that the summit could not easily be held before December or even January.

or even January. Some western officials believe that political presure for a deal is building up satisfactorily in Washington and they cite Congressional resistance to the abandonment of the Salt II agreement, and foot-dragging on defence spending and Star

nomic resources into domestic development.

But others now fear that the technical problems of the make, by implication, a similar calculation may be a different calculation may be a different calculation. realculation may be a different matter.

The new Soviet leadership seems to have become much more sensitive to the US precupation with verification. It has been prepared to admit onsite monitoring of the Soviet nuclear test ranges by a team of unofficial American scientists, and is seeking official negotiations with Washington on the same subject; it has proposed a phased reduction in strategic weapons, starting with a cut of 300 missiles on each side, precisely to engender a bit more trust.

Nothing requires an immediations, and Henry Kissinger and though recourse to some uncorthodox diplomacy, and they seems to be a resolution, they are not though recourse to some uncorthodox diplomacy, and they seems of the washington machinery. If there is to be a resolution, they allow public procedures of the washington machinery. If there is to be a resolution, they support the ordinary all-toopublic procedures of the washington machinery. If there is to be a resolution, they support the ordinary as the ordinary as a remove the ordinary and through the ordinary, all-toopublic procedures of the washington machinery. If there is to be a resolution, they support the ordinary as the ordinary as a resolved by President Reagan through the ordinary, all-toopublic procedures of the washington machinery. If there is to be a resolution, they support the ordinary as the ordinary as a resolved by President Reagan through the ordinary, all-toopublic procedures of the washington machinery. If there is to be a resolution, they support the ordinary as the ordinary a

Lombard Why City salaries are too high

By Clive Wolman

for doing nothing more produc-tive than trading bits of paper? Their critics now extend well typically small by comparison. Their defenders, the free marketeers, insist that their inflated salaries merely reflect international salary pressures and possibly a temporary imbalance between the supply and demand for their specialist skills which will gradually disappear as more recruits are attracted.

attracted.

A more persuasive explanation is that too much money is being paid out by City firms in salaries, because too much is going in. And that means that the industrialists in particular must be blamed for paying the City too much for the financial services it offers.

Most financial services, such as advising on new issues, take-overs or mergers are difficult overs or mergers, are difficult to evaluate. But in at least two areas it is possible to demonstrate with mathematical precision that the City has been over-charging.

over-charging.

One is the fees charged for underwriting and sub-underwriting rights issues of new equity by companies. A London Business School analysis in 1980 showed that underwriters were being paid twice as much for the riaks they were undertaking—effectively for selling put options on the newly issued shares—as they would receive in a competitive and efficient market. Now at least there is some hope that the excess profits of merchant banks will be squeezed as the new issue market changes.

A more serious example of the systematic over-pricing and over-provision of a financial

Nothing requires an immediate decision. The Geneva negotiations, and Henry Kissinger the summer, and do not reconvene until mid-September.

There is little chance that, in a mid-term election year, Washington will sacrifice its summer holidays in order to resolve an issue on which key figures in the administration do not want a new strategic decision.

On the other hand, that decision will not be made any easier merely by the passage of said.

Nixon was interested and knowledgeable about the negotiations, and Henry Kissinger market changes. A more serious example of the systematic over-provision of a financial service is fund managers, particularly those with experiment over-provision of a financial today.

On the other hand, that or three people know; but it is or three people know; but it is managers with company and induce them to shift around

so WHAT CAN we do about their portfolios, thereby generatine City whizz-kids. those appalling young men who have been showered with Porsches and six-figure salaries long before their thirtieth birthdays for doing nothing more productive than trading bits of paper?

Their critics now extend well brokers and fund managers beyond the ranks of the Labour must at the very least lead to higher returns for them than industrialists whose salaries are the naive private investor could achieve.

Not so. Nearly all profes sional fund managers should have retired to the south coast and handed over their portfolios to unemployed teenagers on a

and handed over their portfolios to unemployed teenagers on a twentieth of their salaries. The teenagers would have made more money for their clients by doing nothing except investing their cash inflows in a random selection of stocks.

Over the last seven years, the average UK equity fund manager achieved a lower return than the UK stock market average, as measured by the FT-All Share index, by about one percentage point a about one percentage point a year. The performance of over-seas equity fund managers has been even more disappointing. What is striking about the per-What is striking about the performance figures of pension funds (produced by the WM company) is that even the top 25 per cent of pension funds achieved lower returns than the stock market averages.

Stockbrokers fare only slightly better. Research by the London Business School suggests that only a few have a record of giving more correct.

record of giving more correct than incorrect recommendations to investors either over tions to investors either over the telephone or in writing.

The point is not that all fund managers and stockbroking analysts should be sacked, which would quickly create major inefficiencies in the pricing of shares, but rather that there are too many of them around producing medi-orra work.

supply must be placed on pen-sion fund trustees and the finance directors of the sponcompany directors evaluate other financial services with a similar lack of competence, it is not surprising that some City operators are being paid infla-ted salaries while making little or no contribution to economic

Accounting

From Mr C. Brundon Gough Sir,-Your Leader of July 10 poses an important question about the current and future

vice range of practising accountants.

The suggestion that auditing should be separated from other advisory services is irrelevant to present needs. British business needs the best possible advice if it is to prosper in today's competitive environment. Shareholders need assurance that their companies are being honestly and competently managed and are producing fair financial reports. Major accounting and consulting firms are well equipped to meet both needs.

I recognise that the potential for condicts of interest exists. Our own long-term interest, however, is in seeing that our credibility as independent-minded auditors is sustained. Auditing is, at heart, an activity carried on in the public interest. We who perform audits must make sure that the scope of our work is in line with public needs and expectations.

must make sure that the scope of our work is in line with public needs and expectations. You also raise the question of compilance with accounting standards. Unjustified departures from standards seriously damage the credibility of all regularities. accountants. The right res-ponse is for the profession to deal with breaches through our

disciplinary process.

As for standards themselves, you may indeed be right in suggesting that a body with stronger teeth than the Accounting Standards Committee the process of the proce tee is now needed to ensure compliance by the corporate C. Brandon Gough. (Senior Partner.)

Coopers & Lybrand. Plumtree Court, EC4. **Training**

schemes From Mr M. Fuller
Sir,—The Government poster
advertising its training schemes

Letters to the Editor

about the current and future role of the auditor. At the heart of it is a doubt about the independence of auditors in the current climate. Most public companies are audited by one of 20 large firms. Size is a major factor in securing independence, since it lessens the financial damage caused by loss of a client.

You note that we, and other firms, now earn most of our fees from services other than auditing. We are proud of our developments in information technology, manufacturing and strategic studies, all of which are of substantial value to British business. Much of our non-audit work, however, is in such areas as taxation and insolvency services which have always formed part of the service range of practising accountable.

The suggestion that auditing should be separated from other advisory services is irrelevant to present needs. British businest. British business. British business being done from the industrial business of deducation in the chasm portanged between

It is to be hoped that in ex-tending TVEI nationally, the need for resources and staffing to be enhanced will not in fact be forgotten. There is rela-tively little scope for economies tively little scope for economies of scale in TVEI-style teaching. The raising of morale and the improvement of national recruitment to the teaching profession in shortage subjects depends not only on teachers' pay levels, but also on the commitment shown by government in providing the resources and conditions to do the job well. These motivating factors apply to equestion generally, but perhaps have particular force in relation to TVEI.

Michael F. Fuller.

Rutherford College,

energy From Dr. L. Brookes. Sir.—Like so many others before him, David Oliver (July 9) propagates the fallacy that using electricity more efficiently substitutes for new power stations; and attributes to all US electric utilities the policy followed by several them and followed by some of them, and

even then, in some cases, reluctantly. For energy in general there is no evidence that more efficient use reduces demand at the macroeconomic level. This applies with special force to electricity: more efficient appliances and insulation tip the economic scales towards electricity compared with other fuels.

The problems that utilities have with nuclear power in the USA are more institutional than technical and economic. shown above Alan Pike's article on the technical and vocational lit is a case of private utilities education initiative (July 7), pictures the construction work the open market being subject

Even so, some utilities are pleased to rely heavily on nuclear plants—Commonwealth Edison for example which does so to the extent of 60 per cent of its output, and there is no getting away from the fact that there are 100 nuclear power stations in the USA. (Dr) L. G. Brookes. 16 Ipswich Road, Bournemouth, Hants.

Tax cuts nobody

From the Chairman,
Reward Regional Surveys
Sir,—One explanation for
executives preferring higher
government spending to a significant reduction in income tax
(July 7) is contained in the
following equation government spending to a significant reduction in income tax
(July 7) is contained in the
following equation.
At a salary of £12,500, which
is currently the median rate for
junior and middle rank executives in the private sector, a
reduction from 29 per cent to
25 per cent in the standard rate
is, for a married man, worth

is, for a married man, worth around £356. A rise in line with inflation, say 3 per cent, is worth £375 but he or she is likely to receive, with bonuses, around 7.0 per cent or £875.

The £500 difference between these two increases after tax at 29 per cent cent center. 29 per cent comes to—surprise, surprise—£356.

surprise £356.

Rather than waiting for a cut in tax which may be dependent on a drop in salary increases to 3 per cent-4 per cent, the executive and his or her employer have decided that the market solution is to share the company's higher profit via a 7.0 per cent rise and enjoy exactly the same position as that offered by a 4 per cent cut in rates on a significantly lower Peter M. Brown.

Single European

From Mr B. Putterson, MEP Sir, — Teddy Taylor writes (July 8) that the Single Euro-pean Act will produce "a cascade of new harmonising sumably he means the 300 or so proposals contained in Lord Cockfield's white paper of 1985 on "Completing the internal market."

No doubt he wants to go

administration who argue passionately that the Russians cannot be trusted, because they

them with being prepared to lie, to cheat, to steal.

If so, he should know that the contrary, new Article 100a of the Treaty was specifically designed to facilitate the adoption of the proposals by the deadline of 1992.

Mr Taylor goes on to com-plain that this "flood of new bureaucratic and harmonising directives" produced by the act will not solve any of the EEC's basic problems. But what is the basic problem? To be blunt, it is not an excess of Comminity legislation; it is the flood (or cascade) of regulatory laws which already emerges from the 12 national Parliaments like the one in which Mr Taylor himself one in which Mr Taylor himself sits.

sits.

Those doing business are obliged to cope with 12 different sets of rules on health and safety; technical specifications, professional and academic qualifications, public purchasing, the collection of statistics, documentation, VAT and Excise duties, company law and so on, which divide up what would otherwise be a single integrated market of \$20m people. market of 320m people.

This is what an influential report called "non-Europe"—
the central reason for Europe's inability to expand economically at the same rate as the US

As far as the powers of the European Parliament are concerned, Mr Taylor warns that we might "block reforms." This is striking evidence of the gap

in perception which has opened up between Britain's elected representatives in, respectively, Westminster and Brussels. We are as militant for reform of the CAP as is Mr Taylor, a posi-tion which commands a majority in the European Parliament as a whole. Regrettably it is the national ministers — directly responsible to Mr Taylor and his colleagues in the national parliaments—who control agricultural spending.

Perhaps, then, reforms would be achieved more quickly if the decisions were handed over to Ben Patterson. (Conservative spokesman on Economic & Monetary Affairs in the European Parliament.)

84, London Road, Tunbridge Wells, Kent.

CITICORP SCRIMGEOUR VICKERS SECURITIES LIMITED

Member of the Stock Exchange

From today the institutional gilt and fixed interest business of Scrimgeour Vickers & Co. will combine with the sterling debt activities of Citicorp Investment Bank Limited to form Citicorp Scrimgeour Vickers Securities Limited.

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FINANCIAL TIMES

Monday July 14 1986



Paul Hannon on

Promise of takeovers in store

THE CUT in US prime rates on Friday, with the implied longer-term boost in consumer spending, was the crowning glory for the department store and general retail sector on Wall Street last week.

Retail stocks have found, in the view of Goldman Sachs, renewed er than expected first-quarter earn ings and the near certainty of considerable tax relief for retailers under the proposed tax bill."

As a weather vane for growth in consumer spending, the stores sec-tor bas proved a battlefield of bids and takeovers and the subject of much analytic comment.

The surprise takeover development last week was the unsolicited \$3.5bn offer for Safeway, the largest US supermarket chain, from The Safeway board plans to put the \$58 per share offer to its stockholders by July 22 but is naturally hoping that Dart, which plans to raise up to \$3.9bm to effect the bid, will raise its offer.

Dart, controlled by the Haft family of Maryland, had acquired a reputation for attempting unfriendly takeovers but Safeway is certainly its most ambitious target yet. Some reports have suggested that if Dart were successful in its bid, Safeway would be broken up, with the group's UK and Canadian interests put up for sale. Foreign operations accounted for \$4.3bn of Saleway's total \$19.6bn sales last year.

Safeway was unfortunate enough to release poor second-quarter earnings figures shortly after the bid but by the close on Friday the su-permarket group had hit a new high for the year with a week-on-week gain of \$2% to \$56%.

Meanwhile, the protracted adv-ances of May Department Stores

ances of May Department Stores for Associated Dry Goods, which boasts 10 separate department store chains, continued. By the end of the week Associated revealed that the two groups were in merger talks but that negotiations had

May, which operates 145 stores in 38 cities, had previously made a \$66 a share stock swap offer valued at \$2.7bn, as well as a hostile cash tender offer of \$60 per share, worth

Associated finished the week month high, while May continued to lose ground with a drop on the week of \$4% to \$79%, with some hrokers suggesting that a sweetened offer by May might still be neces-

sary to close the deal.

May finished the week off by announcing plans to sell for \$201m portion of a Los Angeles property

Earlier news that an investment group led by Mr Ivan Boesky, the entrepeneur, had built up a 9.9 per cent stake in Associated generated very heavy trading in the two

Sherwin Williams, the largest US paint manufacturer, revealed plans on Thursday to sell off its 450strong Gray Drug Fair chain after five years of poor results. The chain cost \$55m in 1981 and is expected to an initial 53% in heavy trading but finished the week 5% lower at \$26%.

Retail sales figures for June were released, showing gains among all the leading stores. The data, however, embraced the July 4 holiday period which tended to disrupt normal shopping patterns.

The largest percentage gain was scored by Wal-Mart. The Arkansasbased retailer starred with a 43 per cent jump to \$917m compared with the year-ago figure. Although based in the economically distraught southwest, the fourth largest US re-tailer has not been affected by the plunge in oil prices to \$12-\$13 per barrel from the \$30 in November. Wal-Mart, which remains a favourite growth stock for many Wall Street analysts, closed the week \$4% lower at \$48% compared with a 12-month low of \$23%.

Sears Roebuck posted the largest cash gain for the June period with sales at \$2.7bn, up 2.8 per cent, and suffered one of the steepest falls in week drop of \$4% to \$43%.

Sears, the world's largest retailer, suffered one of the cruelest, and most expensive, ironies in recent times when the stock market plunged at the start of the week

plunged at the start of the week partly as a result of comments by Mr John Mendelson, senior market analyst at Dean Witter Reynolds.

Mr Mendelson, a widely respected market technician, reversed his bull stance and forecast a drop of up to 20 per cent in the market in the next few months. Wall Street, weighed down by a host of other pressures, duly obliged with a record point fall in the Dow Jones industrial average.

On Wednesday, Sears – Dean

dustrial average.
On Wednesday, Sears - Dean Chin Witter Reynolds' parent company announced plans for a 10m share secondary offering and effectively paid \$45m to illustrate that Chinese walls, particularly in lower Manhattan, can be shown to work.

Patronat faces leadership battle

after the decision of Mr Yvon Gat- with his brother. taz, the current chairman, not to stand for re-election when his mandate expires at the end of the year. tions with government and trade unions. He has faced considerable

internal opposition at the Patronat for some time, and had been thought unlikely to command the two-thirds majority of Patronat

would be stepping down in order to next chairman.

BY CLIVE WOLMAN IN LONDON SENIOR OFFICIALS at the Depart-

ment of Trade and Industry have

accused international securities firms of glossing over the fraudu-lent practices of some issuers of Eu-

ro-securities in their lobbying cam-

paign against a section of the Fi-nancial Services Bill.

The section is designed to pre-

vent the manipulation of securities

markets. The officials say that the

International Securities Regulatory Organisation (isro), the embryonic self-policing body for international investment, has confused the de-

bate by failing to discuss how the more deceifful issuing practices in the Euromarkets might be curbed.

These practices might become

immune from prosecution if the

amendments to the bill proposed by Isro were accepted, the officials

Complaints about these malprac-

tices, coupled with a request for

tighter regulation, have been made

to the Bank of England by a hand-ful of international banks which

make markets in international sec-

urities. These banks are excluded

from the International Primary

Market Association, whose mem-

bership is restricted to issuing

BY PETER RIDDELL. POLITICAL EDITOR, IN LONDON

should be given greater freedom to ments.

raise capital but should be subject

to closer monitoring from an elect-ed National Consumer Agency un-

der plans by the opposition Labour Party which are expected to be ap-

A draft document on social

ownership is expected to be ap-proved by the home policy commit-tee of the ruling national executive

the proposals represent a watering-operations.

a weaker dollar, is continuing its

strong profit recovery. It reported a 178 per cent rise in second quarter net income to \$139m and said that

its full year profits would be "some-

what better than earlier expected." The Chicago-based group, which lost close to \$1bn between 1982 and

1984, said the profit improvement resulted principally from higher sales and cost cutting. Second-quarter sales rose 21 per cent to \$1.99bn. Some 17 per cent of

the rise reflected improved volume

and 4 per cent was from higher prices. The volume gain was helped

World Weather

proved today.

BRITAIN'S nationalised industries down of basic socialist commit-

in preparation for a debate at the via a computerised direct mail shot, Labour annual conference this auto 10,000 shareholders selected

papers on industrial relations law, Labour plans are put into operation, nuclear power, social security and Labour's proposals on BT and

fence costs. Leaders of the hard-left broader plan for new forms of pub-

wing of the party, such as Mr Tony lic enterprise involving the diversi-Benn and Mr Eric Heffer, are ex- fication of existing industries and

pected to argue that a number of new joint public and private sector

CATERPULAR, the world's leading earth-moving equipment manufacturer and a prime beneficiary of bour contracts and from higher us-

Caterpillar profits soar 178%

sales growth.

driving force behind Isro.

A BATTLE over the future direc- devote himself to his family bustion of the Patronat, the French eminess, Radiall, specialising in elecployers' federation, has opened up tronic components, which he runs In a reference to hostile currents

within the Patronat - and in particular to rivalry with the organisa-Mr Gattaz has piloted the Patro-tion's former deputy chairman, Mr nat since December 1981 during a Yvon Chotard, who resigned in highly sensitive period in its rela-tions with government and trade pressure and conspiracies" would not force him to change the Patronat's policies while he stayed at the

helm.

Mr Chotard, who has particularly strong links to the neo-Gaullist RPR party of Mr Jacques Chirec, the Prime Minister, is a likely assure his re-election. the Prime Minister, is a likely In a statement, Mr Gattaz said he candidate to stand for office as the

UK accuses securities firms of

These banks have asked for an-

onymity for fear of being cut out of

future Euro-market deals by the is-

suing houses.

Isro has claimed that the Finan-

cial Services Bill would make its

members liable for prosecution merely for "stabilising" the price of

a new international equity issue, that is, for holding up prices artifi-cially in the first few weeks after

But clause 44(2) of the bill says

that a person will be guilty of mar-ket manipulation only if he intends

to create a false or misleading im-

to buy our sell securities.

making bids.

the DTI officials.

ession to induce other investors

Lawyers at the Department of

Trade and Industry (DII) say that an issuer of shares would have an

absolute defence against such a

that it may intervene to stabilise the price after issuing the shares by

rosecution if it disclosed in writing

However, the clause might per-

mit the prosecution of the more de-

vious forms of stabilisation. And

that is the real objection of some of

the issuing houses to the clause, say

One example of a less acceptable form of stabilisation is where an is-

The Conservative Party has al-

ready seized on the widely foreshadowed proposals in the social

ownership document to bring British Telecom back under state con-trol through the issue of market-

able non-voting securities in ex-

change for the current shares. Mr Norman Tebbit, the Conserva-

tive Party chairman, has written,

from the register warning them

that they stand to lose financially if

Lebour's proposals on BT and other public utilities form part of a

The stock build-up by dealers pre-

vented Caterpillar determining

those sales which occurred in the

first half that would have otherwise.

come in the second half of the year.

US dealer machine sales rose 15 per-

cent to \$1.1bn, helped by the intro-

duction of new products. The com-pany said the housing boom and

continued strength in non-residen-

tial building also contributed to

Overseas sales were up 30 per cent to \$861m in the latest quarter,

Labour plans 'social ownership'

ignoring fraudulent practices

in the March 16 parliamentary elections has been criticised by some within the employers' organisation as adding to the Patronat's difficulties of establishing a credible im-

Complaints that Mr Chotard has damaged the Patrunat by bringing its internal splits into the open may encourage the organisation to seek a compromise figure for its next chairman who would stand above the quarrelling between "the two

Mr Chotard, responsible for la-bour relations at the Patronat from

ers of its securities creates a false

impression of demand to persuade

another bank to take part of the is

It may do so by instruct ring in-

termediaries to contact the target

bank and say they wish to buy the

The DII officials say that if pro-

fessional traders were the only vic-

tims of these antics, the Govern-

ment might not worry – and let the

principle of "caveat emptor" apply.

But complaints by some banks to the Bank of England and the diffi-

culties of insulating small private

manipulation have made them re-

luctant to introduce an exemption

Mr Richard Britton, the interna-

tional investments director of the

Securities and Investments Board

(SIB), which is to oversee the regu-

ation of the City, said at the week

end that even if an exemption were

rnational equities would be bound

by SIB rules. These rules could be

drafted to stop the unacceptable forms of price "stabilisation," he

What will follow fixed

industries from the public sector

borrowing requirement. Such in-

dustries would also be able to raise

private capital by the issue of non-

However, a new Social Audit

Commission would be set up within

a revamped Monopolies and Merg-

ers Commission to conduct econor ic and social audits of what are de

scribed as "socially owned" indus

tries. These will allow the identifi-

cation of the social costs of, for ex-

as a weaker dollar led to better

prices and inventories and user de-

to expect that its sales volumes

would grow in the current year but

did not expect second-half sales to

match those of the first six months.

Better prices and more currency

Earnings in the latest quarter

reached \$1.41 per share compared

with 51 cents a year ago. For the

first half the group earned \$2.54 per

share against a loss of 20 cents last

exchange gains are seen to be aid

ing full year profit growth.

Caterpillar said that it continued

voting securities.

emple, pit closures

mand increased.

granted in the bill, the issu

sue on its books.

newly-issued securities.

However, his resignation on the months ago, believes in the tradi-day after the Right won a majority tional method of collective bargaining with trade unions through contacts between the respective hier archies of employers and labour organisations. Mr Gattaz, on the other hand, has come out strongly in favour of consultations at the level of individual enterprises.

> The Government is preparing to push through controversial measures to promote labour flexibility by making it easier for employers to lay off workers. The Patronat thus urgently needs to present a united front to both the Government and the unions when negotia tions on working out the new systom start in earnest in the automy

BCal tries to block **Airbuses**

BRITISH Caledonian (BCal), the

BCal's view is that, under its cor charter and scheduled operator and would not be supplied to Libys or any other country on the US trade embargo list.

The two Airbuses are powered by

which in turn passed them on to an-

be flown to Libya. The Jordanian authorities refused to allow the air-

ing other legal action overseas, especially in Jordan,

fact that it relies extensively for its revenue on its own US routes. It cannot afford to offend US sensitivities or be held to be in breach of US

Commonwealth warnings

and urged African countries to reconsider their boycott.
Other African countries, includ-

African aspirations. During her weekend visit to Canada, Mrs Thatcher brushed aside the boycott. "It doesn't matter who pulls out of the Commonwealth games. It will not help end apar-

for Libya

largest independent UK airline, has begun legal action to try to prevent two A310 Airbuses it sold earlier this year to a Hong Kong organisa-tion from finding their way to Lib-

t had received "hard evidence" that the two aircraft, originally sold to Service Airlines of Hong Kong, were now in Jordan, and that their vestors from the effects of such ultimate destination would be "a

US-manufactured engines, which precludes their use by Libya.

The Hong Kong organisation is understood to have sold the aircraft

In particular, the draft paper argues that such industries should be able to raise money from outside bodies provided they remain within the global borrowing limits laid down by parliament. This would mean the end of the external fi-nancing limits fixed annually by the Treasury and would remove the

A spokesman for the Tanzanian foreign ministry explained that the decision was a protest against both British policy towards South Africa and Britain's Insensitivity towards

theid in South Africa." Similarly, she strongly repeated



BCal said over the weekend that

US-embargoed country", which BCal believes to be Libya. tract with the Hong Kong organisa tion, the latter agreed to comply with US regulations by confirming that the aircraft would be used by an established Western European

on to a UK-based aircraft dealer.

nan, France. BCal's concern was arous the aircraft had appeared in the Middle East, and that a crew had appeared in Jordan with documents licating that the aircraft were to

craft to leave Amman. In addition to the High Court writ. BCal is understood to be tak-

BCal's concern stems from the

Continued from Page 1

ing Zambia and Zimbabwe and some in the Caribbean are expected to consider withdrawal. The main impact so far will be on athletics and boxing. The games start on July 24 and last for 10 days.

Westinghouse income up 13%

BY WILLIAM HALL IN NEW YORK

of a major restructuring pro- of last year. gramme, has reported a 13 per cent Mr Dongias Danforth, Westingincrease in second quarter net income to \$163.1m. Earnings per share rose by 29.6 per cent to \$1.05 reflecting the impact of the share buy-back programme as well as improved profits.

Westinghouse said that operating profits increased sharply in all its businesses in the second quarter with the exception of the commercial group. For the six months, the energy and advanced technology group's reported higher profits and broadcasting and cable profits were "significantly higher."

In the first half of 1988 Westing restructured its product lines.

WESTINGHOUSE Electric, the house earned \$298.3m, or \$1.93 per Pittsburgh-based electrical engi-share, compared with \$273.8m, or neering group which is in the midst \$1.55 per share, in the same period

house's chairman, said he was "encouraged" by the second quarter performance and the continuing improvement in operating profit margins which were up from 6.8 per cent a year ago to 7.4 per cent in the current quarter.

Since last August, when the com-pany announced a three-part restructuring programme, house has sold its cable TV business for \$1.7bn, purchased 23m of its shares at an average price of \$42.45 per share and extensively

THE LEX COLUMN

No quarter for the long term

When Robert Fleming helped scupper the Dixons bid for Woolworth by opting to stay with the management it had itself helped install, many industry boardrooms rejoiced that the City had at last stopped penalising long-term pros-pects. For all the evidence to the contrary, industry has long been complaining that the short-term performance requirements imposed on fund managers by their trustees in a fizzing takeover market were making it dangerous to commit capital to expensive projects or re-search. That crucial project to extract gold from lead can at last be

The signs that the successful takeover is becoming an endang-ered species have, if anything, con-firmed industry in this view. It is hard to see why. In the Woolworth case. Warburg went quite the other way and accepted the Dixon's shill-ing. The failure of the recent engineering bids is not all that surprising so late in a process of industry reorganisation. And while Standard Chartered has escaped, it is not because the City thought its management should have the opportunity to indulge its schemes for the future: almost half the shareholders accepted the Lloyds bid and a third more sold in the market to those have as much say in the bank's fu-

Proponents of the efficient market naturally jeer at the industry argument. If the market penalises R&D, the market is inefficient but American academic research argues rather the opposite: important announcements about capital expenditure are just as likely to be rolled up into prices as to consign the announcer to the takeover block. In the UK, the London Business School has found that even when brokers thought they were making long-term forecasts, the ef-

ture as the board.

By looking at the quarterly re-turns from their managers, inves-tors and trustees are at least comparing market values which prob-ably discount the long term (including the opportunity cost of capital)

Midland Bank plc

Clydesdale Bank PLC

The Tokai Bank, Limited

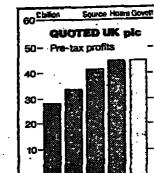
The Taiyo Kobe Bank, Limited

TSB Scotland

Union Bank of Switzerland

The Long-Term Credit Bank of Japan, Limited

fect on prices was more or less in-



more effectively than any one parti-

Robert Fleming is wrong about the value of Woodworth's independent long term; oil company share prices the profits are inevitably a some are saying that company manage swings and roundabouts. So for this are saying that company managements were wrong in their confi-dence about the oil price (which many have since admitted). The many have since admitted). The third—that has let the group down current value of the market is still worse, the fall in the oil price which the most convenient discounted measure of the future income to benefit the industrial said. Benefit the industrial said. Benefit the industrial said.

can lead to illogical behaviour. To raw materials than any great up sack a fund manager for one poor surge in demand. The star performs drunkenness or the nin of it is strange. WM's pension fund measurement service likes to tell trustees that in eight years no one fund has been consistently in the top or bottom quarter, although nobody

At least the company's finances have yet again improved. After a company's finances of processing the company's finances have yet again improved. After a company's finances of processing the company's finances have yet again improved.

defensiveness or hyperactivity in stand at less than 14 per cent of fund managers. Churning portfolios shareholders funds, while on a twice in a day merely transfers the forecast of £44.8hm pre-tax this of information. This is all the more make some more acquisitions corridor will be expecting a brisk sluggish profits picture suggests turnover to cure both shriveled that the shares may nonetbeless

formerly taken by research and the UK equity market will stop recei-bling English flora as the least yes ed and by far the best studied in the

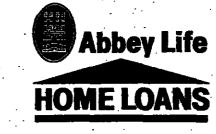
Ouoted UK

Shareholders in Quoted UK diversified British company. are about to receive their cities man's latest statement through the group's broker Hoare Govett, man be grateful to the taxman for a min in earnings. Though profits in the first half of 1986 are slightly loves at £22.1bn against £22.3ba conings per share have risen by £3.50c. cent thanks to a lower tax charge. Even so, QUK has seen fit to the dividends by over 15 per cent per haps a mark of its confidence to

In such a widely spread ga year it has been the oil divisi where earnings are down by our a neir liabilities. per cent, and that seems to see more to lower input costs for other quarter or for any reason but ers are the financial operations, but drunkenness or the firm of it is there must be doubts whether CAR

The evils of quarterly measure through various share issues so tar ment are purely pathological, in this year, gearing is at a very low that they can induce symptoms of level. By the year end net debt will fund's wealth to middlemen, and year, up from £44.7bn in 1985; the the reduction in commission rates return on capital employed will be may well encourage a fund manag- 20 per cent With such a balance er to deal on an equivalent fraction sheet, the company looks set to likely in that middlemen across the ably with an overseas bias. But the commissions and galloping competition. Turnover will play the role performance of recent years.

This announcement appears as a matter of record only.



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Kansallis Banking Grosp Kredietbank N.V. (London Branch)

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The Tokai Bank, Limited Union Bank of Switzerland

Agent Bank Samuel Montagu & Co. Limited



June 1988



SECTION II - COMPANIES AND MARKETS **FINANCIAL TIMES**

Monday July 14 1986



EURONOTES AND CREDITS

Turkey cashes in on its improved credit rating

proved credit rating in internation- per cent. al capital markets to launch a succession of new deals. It returned again last week with a \$240m credit led by Morgan Guaranty designed to finance the Gerede/Ankara section of the Europe-Asia motorway, writes Peter Montagnon in London.

This is the second motorway financing this year as it follows an \$100m arranged by American Express Bank and Bankers Trust. Half of it will be guaranteed by the US Eximbank, while the remainder is a pure financial loan carrying interest at a margin of 1% per cent over Eurodollar rates or % per cent of payments which was in deficit by over US prime for seven years. Sibn last year has been helped by Banks will be invited to subscribe the decline in oil prices. But the

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Carlotty Haringty

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Vila arri diriyeni d

TURKEY is profiting from its im- bank offered rate) at a margin of 1/4 around \$35m in each of 1986 and ments to Turkey as Japanese banks stands at 6.4 per cent while Euro-

week. The volume of deals - Morgan said on Friday that even after its deal is completed a further \$240m in financing would be needed for the motorway project of which 570m equivalent should be raised locally - is beginning to raise some eyebrows among bankers who worry that Turkey may be overstepping the mark. overstepping the mark.

in equal proportions to this and to country also has to manage careful-the Eximbank-guaranteed tranche by a repayment hump on its \$25bn which is a 14-year deal carrying inforeign debt which has pushed up terest over Libor (the London Intertotal debt service requirements to

Also looming is a new World

Bank co-financing to include a

Y40bn tranche about which preliminary talks were held in Tokyo last

Japanese banks, which were very reluctant to lend to Turkey in 1985,

for only five years after the res-cheduling and in Turkey's case expires next year. The provision is basis so that if more than 5 per cent is provided for in one country another country's share can be less. Growing provisions against Latin American debts have therefore created leeway for fresh commit-

again set out in quest of high-yield- yen deposit rates are below 5 per

Following the credit of \$300m already arranged for Algeria earlier this year under the leadership of Industrial Bank of Japan, the Japanese banking community is mounting a further operation in that Long Term Credit Bank.

Though the use of the dome: compared with Euroyen financing. the best-liked French state-guaranfacility fee for three to be the long term prime rate currently teed names in the market and given 5 for the next seven.

Elsewhere, American Airlines is adding a new \$200m loan facility to its \$300m deal organised last year by Bank of America to give a total \$500m back-up for the issue of Eurocommercial paper. Bank of America is also leading the new deal and will be one of the dealers when pacountry. Sumitomo Bank is arranging a Y20hn 10-year domestic loan for Banque Exterieur d'Algerie which is divided into two tranches.

One will carry a floating rate of individed a long term prime rate, drawings of 17 basis points for the first four years rising to 22 points for the first four years rising to 22 points. plus a margin of 10 basis points. thereafter. There is also a utilisa-This portion will be co-ordinated by ing on how much is taken.

Expected soon is a credit for Bul-

Yen market allows Algeria to obscure the upward pressure on margins for its loans it is still expensive this week. Credit Foncier is one of the France which included a 4 point terms recently won by Electricité de France which included a 4 point

mood and turnover is negligible. In the D-Mark sector bankers feel

count rate at the last fortnightly meeting of the central bank com-

mittee prior to a summer break, al-

though hopes are not strong. The D-Mark market was indifferent to the

Trading in Swiss franc bonds is also lethargic although good quality

paper is prompting some demand. New public bonds for Japanese Development Bank and Nippon Tele-

graph and Telephone seemed to go

down well. Meanwhile, other Japa-

nese borrowers have been able to launch equity warrants bonds with

coupons that have touched new

US discount rate cut.

Results take Silicon Valley stocks to low

SILICON Valley semiconductor stocks slid to record lows on Friday following disappointing quarterly of any significant signs of improveresults from two of the largest West ment in demand from the computer Coast chip makers and another dip in the industry's leading indicator, recovery for the semiconductor inthe "book to bill ratio", clearly de-dustry he added. monstrating that the industry's recovery has stalled.

stock sales on Friday. Intel's shares closed \$1.75 lower at \$19.25, their April.

lowest in more than eight years.

Motorola produced the only good The stocks of Advanced Micro Deboth Silicon Valley neighbours, also

Advanced Micro Devices anounced its results after the stock market closed on Friday. The company posted a net loss of \$27.9m or nts per share on sales of \$154m for its first fiscal quarter ended June 19. Year-ago sales were \$150.6m with net income of \$740,000 or one cent per share, after more

hit new lows.

"AMD's sales recovery, which began in the quarter ended December 1985, stalled in our first fiscal quarter as distributor resale weakened in June," said Mr W. J. Sanders III, president and chief executive offi-

"The apparent early arrival of the summer slowdown and the absence

Adding to the evidence of a new dip in semiconductor sales, the in-Intel's announcement of a \$27.7m dustry's book to bill ratio, a meaoperating loss for its second quarter sure of orders versus sales, fell to started a flood of semiconductor 1.07 in June, down from 1.10 in May and below this year's peak of 1.18 in

news for US chip makers, reporting vices and National Semiconductor, a sales increase of 12 per cent in its semiconductor sector during the second quarter.

The company reported total net income of \$55m of 43 cents a share on sales of 1.5bn in the second quarter. That compares with net income of \$26m or 22 cents a share on sales of \$1,37bn a year earlier.

For the first six months of 1988, net earnings rose from \$67m or 56 cents a share to \$100m or 80 cents, while sales advanced from \$2.69bn to \$2.84bn.

Second-quarter sales in the semiconductor division were up 12 per cent on the year-earlier period, while new orders climbed by 63 per cent and the order backlog fell by

People Express to sell unit

BY WILLIAM HALL IN NEW YORK

troubled US airline rejected a \$9 per share offer from its arch rival, new routes and an aggressive ac-Texas Air, and agreed to sell its quisition policy. This included last Frontier Airlines subsidiary to Un-year's \$300m acquisition of Frontier ited Airlines for \$146m.

The decision to sell Frontier Air-

PEOPLE Express, the financially tion as the fifth biggest US carrier through a mixture of opening up Airlines, a loss-making regional airline based in Denver.

However, the decision to reject lines is a bitter blow for Mr Donald Taxas Air's \$300m bid for all of Peo-Burr, People Express' 45 year-old ple Express, indicates that Mr Burr founder, who has catapulted his intends to try and maintain People "cut price-no frills" airline to a posi- Express as an independent carrier.

INTERNATIONAL BONDS

US interest rate cut gives no direction to Eurobond market

THE EUROBOND market was of the market and dealers say it Norway has no outstanding international Reserve Board's cut in the key interest rate last Thursday to 6 per not ruled out it is beyond the near-cent, the lowest level since October time horizon.

The timing of the cut was surprising, but a % point reduction had been factored into price levels for some time. The market might have rise again and they want to be sure

Among disting of the cut was surprising portance. At these low rates investigate market as particularly unrealistic last week was a five-year offering for French state agency Cepme, haunched at a slim 35 basis points. been expected to follow the old of a market should they need to over the US Treasury curve but adage and "sell on the news." But sell. the relative firmness of the US Treasury bond market in early Friday dealing tempered profit-taking and Eurobond prices hardly moved.

Nonetheless, the announcement rently flummoned as to how to price ed out that domestic demand for

They add that in these generally doz. "So when's the next discount thin trading conditions the trading rate cut?" asked dealers. I liquidity of issues has added im-

A long-expected \$500m issue for day dealing tempered profit-taking and Eurobond prices hardly moved.

Nonetheless, the announcement has taken some of the suspense out this jumbo deal, however, since suppose when it even ternational Finance. Dealers point ternational Finance. Dealers point that domestic demand for the suspense out this jumbo deal, however, since zero-coupon bonds is negligible at the price was a studing issues as their rarity value develops.

Standing issues as their rarity value ternational Finance. Dealers point however, that the price was artificated by a couple of securities houses trading in a thin market.

play a talent for pricing deals out of all relation to investor demand, although the volume of new issues

Among offerings that struck the trading at about 52 off by Friday af-

High-yielding non-dollar sectors of the Eurobond market continue to attract new issue managers' attention, although the extent of investor interest seems questionable. Belief in strong Japanese de-

hanced last week as a rumour circulated that some Japanese investors
had taken up £20m of a 10-year
World Bank issue in the secondary issues should push up prices of out-

the moment while the borrower is almost unknown outside West Germany. Its yield also compares badly with outstanding D-Mark zero-coupon issues.

ket.

Meanwhile, dealers say that some outstanding sterling issues which should in theory attract Japanese investors, such as that for Nippon Credit Bank, are still looking

Seasoned Australian dollar issues are attracting some speculative in-terest from those who feel the currency has hit a low. Last week some mand for sterling securities was en- high quality, high coupon issues saw sharp price appreciations.

The withdrawal of withholding

KREDIETBANK

Steady growth of activity and results

Profit for the financial year rose by 17.3% to

BEF 2,686 million.
The balance sheet in BEF expanded by 11%, despite the appreciable decline of inflation.

Domestic credit, both corporate and private, rose by about 9% against only 1.1% in the previous

financial year.

ECU activity continued to show spectacular growth. As a result of its prominent role as an ECU clearing institution, over 550 banks are now maintain-

ing accounts with the Kredietbank. The ECU already accounts for roughly 25% of the overall balance sheet in foreign exchange.

The number of staff increased by 210, to reach a total of 9,212.

Investment amounted to BEF 2,123 million, an increase of 66% due in large measure to the modernization of the bank's office equipment.

The process of internationalization proceeded unabated. A 75% participation was taken in Bank Van der Hoop Offers N.V., which has a commercial office in Rotterdam and a securities trading office in Amsterdam. Further, a 5% minority stake was taken in the French Banque Monétaire et Financière, set up to operate on the French money and capital markets.

A net dividend of BEF 435 (+5%) will be paid out to the ordinary shares and of BEF 735.88 to the AFV shares. The number of shares entitled to dividend rose by 124,605.

Some key figures from the balance sheet as at 31 March

	(In millions of Belgian francs)	1986	1985	1980	1975	
:	Stockholders' equity and subordinated loans Working funds Credit to the	28,045 821,371	26,526 765,706	14,826 391,834	7,476 185,929	
	private sector (all forms of credit) public sector Net profit for the financial year Balance sheet total Net dividend (BEF) Number of staff Number of branches	306,016 279,032 2,686 911,939 435 9,212 764	311,053 267,541 2,289 834,096 414 9,002 759	203,211 135,141 1,735 429,880 355 8,433 739	91,242 70,766 950 207,138 245 8,035 694	

Head Office: Arenbergstraat 7, B-1000 Brussels (Belgium)

Branches:

In Belgium: 764 branches

Abroad: New York, Los Angeles, Bahrain, London Subsidiaries:

In Belgium: Crédit Général S.A. de Banque - Hypotheek- en Spaarmaatschappij van Antwerpen -

Abroad: Irish Intercontinental Bank Ltd. - IIB Finance Ltd. - Bankverein Bremen AG - S.A. Gestion KB Income Fund - S.A. Gestion KB Capital Fund - S.A. Holding Eurinvest - KB Internationale Financierings-mastschappij N.V. - Bank Van der Hoop Offers N.V. - ECU Conseil - Decarenta Conseil

Kredietbank S.A. Luxembourgeoise - Kredietbank (Suisse) S.A. - KB-International (Hong Kong) Ltd. Representative offices:
In the U.S.A. (2), Australia, South Africa, Mexico, Japan,

Brazil, Iran, Hong Kong and Spain Member of the Inter-Alpha Group of Banks

A copy of the fifty-first KB annual repr (1985-1986) can be obtained from: (1985-1986) can be obtained, (1985-1986) can be obtained, (1985-1986) (1986) Reprise the first of t

U.S. \$100,000,000

Victorian Public Authorities Finance Agency

All of these Securities have been sold. This announcement appears as a matter of record only.....

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MORGAN STANLEY INTERNATIONAL

BANKAMERICA CAPITAL MARKETS GROUP

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MERRILL LYNCH CAPITAL MARKETS SWISS BANK CORPORATION INTERNATIONAL Limited

ORION ROYAL BANK

WESTPAC BANKING CORPORATION

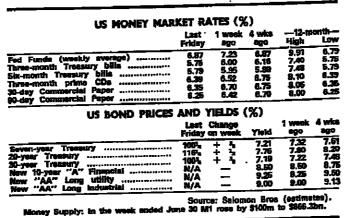
Resurfacing worries fail to shake market

LAST WEEK will probably be remembered as one of the more eventful weeks in the US financial markets in 1986 as many of the concerns which had been lurking in the shadows moved back into the limelight.

The week began with news of a landslide election victory for the Japanese Government and the dollar hit a record post-war low of Y158.20 during Monday's trading in Tokyo. A year ago it was standing at Y250 and 10 years ago it was at Y300.

The US equity market shed close to 80 points, its second biggest weekly point drop in history, and the US Supreme Court struck down the central provi-sion of the Gramm-Rudman Deficit Act, which is supposed to be the main weapon to curb the

soaring US budget deficit.
The Federal Open Market Committee (FOMC) met amid escalating concerns about the health of the US economy, and after several days of increasing speculation the Federal Reserve ally cut its discount rate by banks matched the move the fol- medium-term US government



lowing day by trimming their paper rose by around a of a prime rates by a half-point to point on the week, while prices of longer-dated bonds fell by a similar amount.

Given all these conflicting infinences, the US credit markets were surprisingly stable last week and were not moved by the initial collapse in share prices. Prices of short-tocent by the end of the week and the yield curve had steepened by around 20 basis The Fed has been under

mounting pressure to get the economy moving quickly, and the White House, which is anxious to ensure that the Republicans do not lose con-

to get one quickly.

Mr Paul Volcker, chairman commodities and greater of the Federal Reserve, is known to be concerned about the possibility that lower US

Mr Paul Volcker, chairman commodities and greater stability in prices of goods

Mr Paul Volcker is scheduled to the possibility that lower US

Mr Volcker is scheduled to the possibility that lower US interest rates could precipitate a self-defeating flight out of the dollar, and on previous occasions this year has tried to co-ordinate the drop in the dis-count rate with amilar moves by the other leading industrialised nations.

By Friday evening the US Government's believether bond, Treasury 7½ per cent, due 2016, it less ins that they will come was being quoted at 100½ to yield 7.18 per cent. The yield on three-month Treasury bills leagues at the Fed have come had fallen to around 5½ per round to the view that the risks

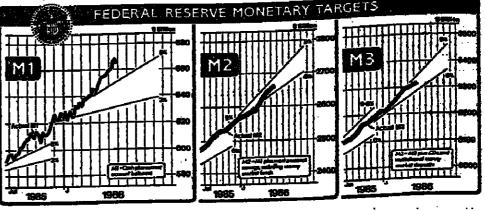
of letting the economy slide towards a possible recession out-weigh the risks on the exchange rate and inflation fronts.
"The action appeared appro-

priate in the context of a pat-tern of relatively slow growth, comfortably within capacity constraints, in the US and in the industrialised world generally," said the Feds statement ber elections, has been dropping heavy hints that it wanted a cut. "The pattern has been discount rate cut and expected to get one quickly.

Mr Paul Volker, chairman commodities and greater than the Foderal Passage in the reds statement accompanying the discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The pattern has been discount rate cut. "The pattern has been discount rate cut." The patte

> testify before Congress on July 23 and last week's action should help silence the Fed's more outspoken critics on Capitol Hill who are blaming the sluggish-ness of the current recovery on

Fed Dept Store 11 90... 100 Finland 11½ 88 100



casts for the rest of the year, and there is already talk that another cut in the discount rate will be needed if the economy is to grow by the 4 per cent plus expected in the second half

Salomon Brothers' Dr Henry Kaufman says: "There is probably a better than even chance further overt monetary purmodation in the US." the central bank.

The weakness of the US
economy has surprised many economists who have been downgrading their growth fore
or rurtner overt monetary accommodation in the US."

While the timing would depend on the emerging economic picture, he argues that "the soonest that such a move could

Irving Securities' Mr Philip Braverman is even more posi-tive about the scope for further Fed easing and says that "an additional one-half percentage point reduction is almost certain

The US credit markets will is over the authorities can be also need to watch the behaviour of the US dollar even more closely than normal. It showed some surprising strength the day after the discount rate cut, which may have

occur would be late August, but reflected central bank intervention, but this week should give the first real indication of whether foreign investors are willing to continue backing the

Japan is experiencing a reces sion for the first time in a decade and now that the election

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CANADIAN DOLLAR
STRAIGHTS
Amex 124 91 ... 50
Assix Resources 114 92 75
Bank of Tokyo 107s 82 75
Bqe l'Indosuez 14 91 ... 75
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1064, 1024, 1134, 1134, 1144, 105, 1064,

 \mathbf{b}_{M}

UK GILTS

Securities hit further by oil price slide

receipts which Mr Nigel Lawson, Chancellor of the Exchequer, spent so much of his Budget speech four months ago assuring

us he could live without. Pressure has been building up for some time as oil prices continued to fall, but it had until last week been felt mostly in the bond market. The gap between US and UK long bond

to deny herself by taking ster- withdrawal from the housing ling into the exchange rate market.

of bank lending.

Some of June's increase in bank lending appears to have been connected with the take-over of stockbrokers by the banking sector in the run-up to Cotchers adjustment to securi.

october's adjustment to securities trading practices.
Yet the buoyancy of lending to the personal sector, especially for housing finance, recalls the Bank of England's allusions in the least constraint hulleting to the yields had widened over the past month by 73 basis points to 226 basis points at the end of last week.

On Thursday and Friday, however, the exchange rate started to take the strain—the option which Mrs Thatcher wished not to deny herself by taking ster- to deny herself by taking ster- withdrawal from the bousing discount houses. This helped

WHILE British equities were following their US cousins down and then up again, UK government securities were unable to match Wall Street. The FT Actuaries all stocks index lost. The glits market was not helped by figures showing continued rapid growth in the coupon stocks climbed 29 basis points to 9.45 per cent.

The damage was done by oil, whose slide to prices consistently below \$10 a barrel reswached those worries about the Government's perfoleum tax, Chancellor of the Exchequer, Spent so much of his Budget spent of bills lending.

Some of June's increase in The Bank of drop in the inflation rate to 2.5 from 10½ per cent to 10½ per cent in June, announced on Friday, was not enough to from 10½ per cent to 10½ per cent in June, announced on Friday, was not enough to market shortage of around the Fed's discount rate cut on Thursday night, which received in activities which with their offers of bills outright.

The damage was done by oil, which contributed to losses of 1½ points on Tuesday. While the 1½ per cent weeks of saying that it might not prove possible to make the next cut in UK bank agreement on £385m of bills at the lating month allowed the banking month allowed the banking month allowed the support of allowed the sign of slackening in the rise of bank lending.

Some of June's increase in The Bank of drop in the inflation rate to 2.5 from 10½ per cent to 10½ per cent in June, announced on Friday, was not enough to The markets — even after the markets — even afte

US DOLLAR
STEAMGHTS
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AIDC 11 39 75
ALEEN ARSTVALE 8½ 38 25
Amer Savings 12 89 125
Amer Savings 12 89 100
Alstralia 11½ 93 100
Australia 11½ 95 100
Bank of Tokyo 12½ 52 100
Bank of Tokyo 12½ 52 100
Bank of Tokyo 13½ 31 100
Bank of Tokyo 13 encourage them to try again.

The gilts market was encouraged only until the widely anticipated tap stock. Longer dated gilts lost up to a some quarters as an encouraging indication that a base rate point after the announcement before coming back off the

The £800m of 8½ per cent Treasury Loan 2007 is issued by tender at a minimum of £94.50 to yield 9.09 per cent, with £25 paid and the rest due on August 18. It is free of tax

George Graham

FT/AIBD INTERNATIONAL BOND SERVICE Prices | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

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Denmark 6: 92.
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AT ITODUON **Autophon Ltd.**

cut could prove acceptable in

discount houses. This helped to head off a firming of three-

the near future.

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Union Bank of Switzerland (Securities) Limited Credit Suisse First Boston Limited Groupements des Banquiers Privés Genevois SA Swiss Volksbank Leu Securities Ltd.

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West Germany Deutsche Bank Capital Markets Limited

Other Countries Morgan Stanley International

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INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Jonathan Carr on the implications of a wider consortium to sell federal issues

Foreign banks drawn into German bonds net

PRIVILEGE OR burden? Membership of West Germany's federal bond consertium has always involved an element of both. The latest federal bond consertium has always involved an element of both. The latest federal bond consertium has always involved an element of both. The latest federal bond issue underlines that fact above all for the foreign banks (six Japanese, four US, three French, two Swiss, and one issue underlines that fact above all for the foreign banks and one all for the foreign banks are underlines that fact above all for the foreign banks are a gravy train, A group of banks hiterto only German) takes on hier quotas issues of the Federal Government, railways and opst office. It agrees a price discount for foul weather as well areceives a price discount for foul weather as well areceives a price discount for foul weather as well areceives a price discount for fish bender the banks are poor, add they can be penalized if the bonds they undervowers, they win a certain prestige as consortium mebers.

Demand for federal bonds is facted and the capital market further, they have been doing turn; and the country faces a general election in six months. In stitutions concerned have doubts whether all the foreign most of the German banks after on using the most of the German banks are adough durable placing power than they invited the foreign banks of distinct membership.

At first glance the consortium may look to be somistifying to institutions to make a grand the country faces a month. 19 foreign banks (six and the country faces a many look shether all the foreign most of the German bank dealers quickly accused a foreign bank of earns and toreignest big discount, and foreignest because the same. If that sounds are poor, and they can be penalized if the bonds they undervised to the capital market further, they doubt the forting and the country faces and the country faces and the country faces and the country faces and the four in six turns and the country faces and the four in the fact and the country faces and t

Mixed opening to bank

largest, announced a 21.5 per cent advance.

The three banking groups are among the first of the major US banks to report their results, with the bulk of the results expected this week.

Boston-based Bank of New England, which has been expected this week.

Boston-based Bank of New England, which has been expected the provisions for losses. While there had been a downward trend since January in the expected higher-than-normal losses resulting from the sub-

England, which has been expanding rapidly mainly through regional acquisitions, lifted net earnings in the second quarter to \$40.7m or \$5 cents a share compared to \$29.9m or 71 cents. The latest results, which were in line with expectations, lifted half-year net earnings to \$80.1m or \$1.49 a share from \$58.5m or \$1.40 a share from \$58.5m or \$1.40 a share from \$58.5m or \$3.1m or \$1.51 a share to \$37.9m or \$1.82, taking sixmonth earnings to \$78.9m or \$3.79 a share, against \$64m or \$3.18.

Assets rose sharply from

end size signisaring

results season in US

BY PAUL TAYLOR IN NEW YORK

their planning easier, the banks gain fees for what is often not a great deal of work and, moreovers, they win a certain prestige as consortium mebers.

Small wonder that foreign banks incorporated in Germany have long pressed to be allowed to join. Now, thanks to the Bundesbank's drive to open up

\$450m Kaiser Aluminum

property sale

#100m.

However, the purchasing group has certain rights to buy some of the remaining property

at a premium over book value.

By our New York Staff

poorly placed.

A lot of this squabbling might
be dismissed as no more than
"the "teething troubles" of a
new system introduced at an
awkward market moment.
Foreign banks can fairly claim

then feel less like privileged cub members as mice caught in

N. American Philips slips into red after provision

Lafayette, California.

Kaiser says that the deal involves cash and the assumption of certain debt and liabilities by the buyer, Kaiser is not selling its properties in Hawaii and Oakland, California, which have a current book value of about Stock Control of the company's cable TV business prompted the decision to provide for an orderly withdrawal from the subscriber equipment conditions continued to affect the company's businesses."

Sales were marginally higher in the second quarter at \$1.06bn and for the six months were \$60m higher at \$2.09bn. Mr Cees Bruynes, chief executive, said: "Sluggish economic conditions continued to affect the company's businesses."

He said he was ensouraged.

In addition, North American
Philips decided to discontinue
colour data display manufacturing at its facility in Seneca
Falls, New York, as soon as Falls. New York, as soon as present manufacturing commitments are completed. A study showed that it could best serve the colour data display market by means other than maintaining a dedicated manufacturing facility.

The second-quarter loss commitment with professory and the second half of the year.

The group's colour television products registered substantial improvements in volume while benefiting from reduced price pressure. Earnings in the electrical consumer products operations fell. reflecting soft in the second half of the year. Mr Cornell C. Maier, Kaiser's chief executive, said the transaction would achieve multiple benefits of producing a profit, generating immediate substantial cash for reductions of debt, providing expense from

pased first wachovia, which has \$3.18.
Assets rose sharply from mainly through last year's merger with First Atlanta, said second quarter net earnings while loans jumped from dipped to \$45m or \$3 cents a share from \$46.8m or \$45 cents a share a year earlier.

Kaiser has faced a long-trust wachoving ongoing income from \$47 cents a share a year earlier.

Kaiser has faced a long-trust year the group has the current year the group has share from \$46.8m or \$3.5m or \$12 cents a share a year earlier.

North American Philips has share, compared with \$41.4m or \$1.40 or

BANK of New England, 28th share from \$99.7m or \$1.87 a largest US banking group, reported a 36 per cent increase in second quarter net earnings were boosted by a special quarter after taking and Bank of New York, 18th tax gain on the sale of a subsidiary.

Mr John Medling, chief executive, said good growth in net increase and other service revenues was offset by higher operating averages and first of the major US has signed a letter of intent to sell a major portion of its real estate holdings for \$450m to a group of private investors, led by Bedford Properties of two product lines.

By our New York Staff

KAISER ALUMINUM, which the US affiliate of the Dutch earlier this year defeated an unwelcome takeover bid by a dissident shareholder group, has signed a letter of intent to sell a major portion of its real estate holdings for \$450m to a group of private investors, led by Bedford Properties of two product lines.

The company says that "adverse technical factors relating to the subscriber equipment product line of the subscriber and for the six months were second quarter after taking a dissident shareholder group, has signed a letter of intent to sell a major portion of its real estate holdings for \$450m to a group of private investors, led by Bedford Properties of two product lines.

The company says that "adverse technical factors relating to the US affiliate of the US aff The company says that sales were marginally higher in the second quarter at \$1.06bn and for the six months were ment product line of the comment product lines.

sumer electronics market and remained optimistic about the outlook for consumer elec-tronics in the second half of the

NEW INTERNATIONAL BOND ISSUES							
Borrowers	Associat m.	Meturity	Av. life years	Coupon Mg	Price	Book Rumer	Offer yield
U.S. DOLLARS		4074					
Maigai ¶‡ Yahana kata da	28 28	1991 2001	5 15	27/2	100	Daiwa Europa	2,875
Yellong Ltd. 5‡	20 130	2001 1991	13 5	3	108	Goldman Sachs	3.000
Hagoya Balkoad 111 National Guardian 5	130 40	2001	15	2% (7-7½)	100	Yamanchi Int. (Eux)	2.875
Tanana Electric ¶1	25	1991	5	(2½)	108 108	Shearson Lehman Bros.	2.879
Kunisi Chemical Ind. ¶‡	40	1991	5	21/2	100	Yamaichi ist. (Eur) Nomura ist.	2.879
RPM Inc. St	30	2001	15	53/4	100	PainsWebber lot.	5.750
Commercial Sheering 5	35	2001	15	(5-614)		Kidder Peabody	
Bergen Bank 11	50	1991	5	(b)	100.1	Suesterno Trust Int.	-
Ferrovie dallo Stato 1	100	1991	5	71/2	10156	Daiwa Europa, LTCB Int.	7.474
Finland ‡	200	1993	7	71/2	10012	Mergen Stardey	7.406
Marubeni H.Kong (c)‡	50	1991	5	81/2	181	New Japan Secs. Eur.	-
RTT (d)‡	190	1989	3	10	10136	Morgan Supranty	9.453
Diasonics 5‡	25	2001	15	61/2	100	CSFB	6.500
Yakat Honsha T	58	1991	5	(274)	100	Daiwa Europe	
Capme I	100 100	1991 1993	5 7	7%	1011/4	Morgan Guaranty	7.079
Creditaristalt ‡	199	1993	ź	8 8	181	Chase Manhettan	7,809
Nippen Credit Bank ‡ American S&L (I)†‡	208	1996	1Ć	0 15ba	101 100	Kippon Cradit Int.	7.809
Pacific Dualop 3	75	1996	10	(6 3/4 -7)	100	Merrili Lynch CSFB	
Velkswepen Int. Fin. ¶‡	158	2001	15	3	108	Dresdner Byrik	3.000
						Distriction China	
CANADIAN DOLLARS Tydro-Quebec (a)	200	1996	18	•	•	Yamaichi Secs.	•
EW ZEALAND DOLLARS							
tural & Ind. Bk (A'tralia) 🕇	250	1993	7	0	39.0	EBC Ltd.	14.398
Sqe Paribas Nederland ‡	40	1990	31/2	161/4	10034	Sengos Pantes	15.837
3-MARK							
Renove Look 9‡	45	1991	5	114	108	Deutsche Bank	1.258
Witsebishi Chem. Ind. 9‡	300 280	1953 2001	7 15	144 0	100	Doutsche Bank	1,250
Otto Int. Finance ‡		Z991	18	<u> </u>	38.88	Deutsche Bank	5.500
SWISS FRANCS							
3 Pak loc. Mentreal ‡	85	1991	-	53/6	100	Boe Gutzweller, KB	5.375
Gtanc Construction **¶‡	35	1991	-	7/s	100	UBS	0.875
lonsku Paper Co. * § ‡	80	1991	-	4	100	Credit Suisse	0.750
seki & Co. **§‡	50 38	1991 1981	=	1 %	100 100	UBS SBC	1.800 0.875
lai Nippos C'struction ** ¶‡ Note Construction * ‡	180	1591	Ξ	3/4	100	Swiss Volksbank	Q.758
leti Construction \$1	150	1991	-	1/2	100	Swiss Volksbank	0,875
revince of Manitobs 1	150	1958	_	514	100	UBS	5.250
Jenki Kogyo **¶‡	30	1993	-	1 1/B	100	UBS	1.125
Vittui High-Tec **\$‡	100	1992	-	<u>1</u>	198	UBS	1.000
Vincen Dev. Bank ‡	100	1996	-	5%	198	SBC	5.625
<u>m‡</u>	200	1954 1598	-	5 5¾	180	Credit Suisse	5.090
ISX Corp. 1 Suloji Volchika **\$1	1 80 25	1992	_	3-74	100 100	Wirtschafts- und Privathik Bank Julius Baar	5.750 1.000
ove Meaks "" ¶	200	1991	Ξ	(i)	100	Swiss Volkstrank	1.000
amato Kogye inv. **‡	60	1993	_	ŠVz	180	UES	5.125
amata Kogyo Inv. ** 🖺 📜	59	1993	-	51/2	100	UBS	5,125
TERLING						 -	
lailfax B. Society I	100	1993	7	95/4	1801/6	Morgan Granfell	9.600
Arusho Flee, Power 1	50	1993	ż	93/4	1015	Warburg Sacs.	9,423

Clis	168	1996	19	7%	400	W 0	7.375
~ ****** +	106	1336	120	/18	108	WestLB	1213
RENCH FRANCS							
Hortgage Bk Denesrk (e)‡	586	2881	15	8	1081/2	CCF _	7.942
SBL Finança ¶	600	1 99 3	7	81/18	116	Bacque Paribas	5.327
UXEMBOURG FRANCS							
lie lavel **‡	300	1991	5	7%	180	BGL	7.825
ELGIAN FRANCS							
\$;	4bn	1994	8	744	180	Generale Bask 🗘	7.250
RE							
epsice ‡	100bn	1991	5	101/2	19674	B, Comm. Italiana	10.433
RULDERS							
lersk Hydro	250	1996	8	61/2	100	Autro Bank	6.500
aro Beak **‡	200	1991	5	5	991/2	Amro Bank	6.119
enmark I	250	1996	10	E1/2	991/2	ABN	6.570
eeter Douglas ‡	199	1996	18	7	100	Azero Benk	7.800
EN .							
eroetr-Geminion Bk 1	286a	1993	7	6	1011/2	Yastoichi let. (Eur.)	5.734
A CHITCO-THEMBEROW DE T							
. P. Morgan 🛊	28bn	1994	71/2	6	101%	Nomura let.	5.752
. P. Morgan ‡ ortugal ‡		1994 1996	7½ 10	6 6½	101% 99.7	Homura lat. Daiwa Secs.	5.7 62 6.542

this announcement appears as a matter of record only

These securities having been sold,

¥20,000,000,000

61/2% Yen Bonds Due July 15, 1993

Citicorp Investment Bank Limited Yasuda Trust Europe Limited

Yamaichi International (Europe) Limited

Bank of Tokyo International Limited • Credit Lyonnais Credit Suisse First Boston Limited

Fuji International Finance Limited

Genossenschaftliche Zentralbank AG

Kyowa Bank Nederland N.V. Merrill Lynch Capital Markets • Mitsubishi Finance International Limited

Mitsui Finance International Limited • Morgan Stanley International The Nikko Securities Co., (Europe) Ltd.
Sanwa International Limited

Sumitomo Trust International Limited • Svenska Handelsbanken Group

Swiss Bank Corporation International Limited Takugin International Bank (Europe) S.A. Tokai International Limited

June, 1986

This announcement appears as a matter of record only.



Hooker Corporation Limited

U.S. \$50,000,000

Floating Rate Preferred Shares Due 1996

issued by its subsidiary

L.J. International Investments N.V.

Arranged by

Goldman Sachs Limited

Subscribers

Commonwealth Bank of Australia

National Australia Bank Limited

Westpac Banking Corporation

Mellon Australia Limited

Societe Generale Australia Limited

State Bank of New South Wales

Creditanstalt-Bankverein

Agent for the Subscribers Commonwealth Bank of Australia

THE FULL prospectus is published this morning for the profits increased from £1.38m flotation of GT Management on to £7m. The net profit as a perthe main market. About 26 per centage of gross revenue rose cent of the capital is on offer, from 16 per cent to 20 per cent 12.5m shares, at 210p each over the five years.

category, representing over a third of investments GT was

The business falls into two distinct areas of operation: "managed funds" where the group acted as manager to a range of unit and investment trusts and open ended funds, and "directly managed" port-folios where GT handled individual portfolios on a discretionary basis for both institutional and private clients.

Funds under management grew from £821m as at March 31, 1982 to £3.36bn last March, roughly equally split between managed funds and managed portfolios. There was, however, a net loss in funds last year.

ATLANTIC COMPUTERS has

cern, BM Computer Systeme and BM Informatik Systeme

comment

The issue has been priced tightly. On the basis of the prospective price/earnings ratio, which is after all what matters

to shareholders, GT will trade in line with Henderson Administration on 14-15 times.

There is a sort of Mont Blanc tunnel argument, whereby an

international group with weak UK business will burrow towards and meet the multiple

of a UK unit-trust business seeking to internationalise. Even on the basis of funds

under management, however varied the fee structure, £101m

looks a reasonable value. But there may be no more for the stags than in that other recent

stage than an that other recent high-quality, top-of-the-cycle offering, Morgan Grenfell. The loss of US tax-exempt funds probably has more to do with

the pressure on overseas per-centages from a falling dollar, but the affair of Transcood and NSR is a reminder of the diffi-

their bull markets in equities.

industry supplier controlled by

valuing the fund management group at just over £100m.

Founded in 1969, GT had established a reputation as one of the better performing management groups, especially in international markets. Of the trust which will be off-loading total amount invested, £3.40n, only 21 per cent was held in the UK. Japan accounted for the lion's share at just under 42 per cent.

Of the shares on offer, 4,352,850 represent a new equity for the group injecting for the sale came from existing holders led by the Berry Trust which will be off-loading total amount invested, £3.40n, only 21 per cent was held in the UK. Japan accounted for the lion's share at just under 42 metals and the shares on offer, 4,352,850 represent a new equity for the group injecting £2.30 metals and the sale came from existing holders led by the Berry Trust which will be off-loading to 11.7 per cent.

lion's share at just under 42 per cent.

There was a wide spread of clients with pension funds accounting as the largest single category, representing over a state of the person funds the counting as the largest single category, representing over a state in Berry was the original backer of Mr Tom Griffin and Mr Richard Thornton who started the business in 1969. UKPI, which owned a significant stake in Berry was cant stake in Berry, was not selling any of its direct holding in GT in this offer.

the GT in this offer.

The money raised, together with existing cash resources would be used to accelerate expansion plans. There were three specific areas the directors identified for expanditure: expanding the existing operations in Europe and the US, developing an investment management operation in Japan, and further investment in computer equipment and systems. puter equipment and systems.

At the offer price GT was coming on a historic p/e of 17.6 diluting the equity for share options. The notional yield was 2 per cent. Baring Brothers was the

COMPANY NEWS IN BRIEF

acquired the West German IBM started trading well in the the offers are unconditional, leasing and distribution con-current year and the level of

activities should result in a BM GROUP, the construction

year starts well for

Current

Tesco

Mr Ian MacLaurin, executive chairman of Teses, told the annual meeting that he looked to the future with the greatest

The current trading year had started well and the company was operating to plan. That was a positive indication of further over the full year.

Mr MacLaurin told share-holders that Tesco was spending over £233m on new superstore and store extension development programme in the current year—and seeing a new store opening almost every month. All new superstores were per-

forming well.

He said healthy eating in particular continued to be a focus of debate. Nutritional labelling was now a feature of more than 1,000 of the company's own label products. By the end of the year the entire range of some 2,000 products would carry that type of information.

Kwik Save deal

culty of compensating out of the US mutual fund market. Kwik Save is paying £3.68m in cash for Tates, a retailing subsidiary of Northern Foods. The Tates sale is in line with Northern's policy of concentrating on its mainstream food manufacturing activities. While there are considerable virtues in GTs independence of any one client base, expansion into the great undeveloped markets of Germany and, to an extent, Japan would have been much easier at earlier stages of

Tates operates a chain of foodmarkets, wineshops and convenience stores in South Humberside and Lincolnshire. In the year ended March 29, 1986 it made pre-tax profits of 2351,000, on turnover of over

Five Oaks Investments shareholders took up 89.98 per cent of the 13.2m shares issued through a rights in May.

use nest in Atlantic's strategic programme for expanding its profitable European operations.

CLAYFORM PROPERTIES offer for Samuel Properties has been accepted by holders representing 82.2 per cent of the shares. The offers have gone unconditional and remain open.

THOEN EMPs computer software division increased its revenue from £10.5m to \$50.25 \text{ for Samuel Properties has been accepted by holders representing 82.2 per cent of the shares. The offers have gone unconditional and remain open.

THOEN EMPs computer software division increased its revenue from £10.5m to \$50.25 \text{ for Samuel Properties has conditional and remain open.}

**CLAYFORM PROPERTIES ordinary shares (50.01 per cent), and from \$63.324 present of the ordinary shares (50.01 per cent). The offers are now unconditional and remain open.

THOEN EMPs computer software division increased its revenue from £10.5m to \$50.25 \text{ for Samuel Properties has cent). The offers are now unconditional and remain open.

**CLAYFORM PROPERTIES ordinary shares (50.01 per cent). The offers are now unconditional and remain open.

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**THOEN EMPs computer soft-ware division increased its revenue from £10.5m to \$50.25 \text{ for Samuel Properties has cent). The offers are now unconditional and remain open.

**CLAYFORM PROPERTIES ordinary shares (50.01 per cent). The offers are now unconditional and remain open.

**THOEN EMPs computer soft-ware division increased its revenue from £10.5m to \$50.25 \text{ for Samuel Properties has cent of the cent of the samuel properties has received acceptances of 12m to be acceptance of the samuel properties has cent of the samuel properties has received acceptances or 12m to be acceptance of the samuel properties has received acceptances.

**CLAYFORM hostile bid for Benford unconditional in all respects, but the samuel properties has received acceptances.

**CLAYFORM hostile bid for Benford unconditional in all respects, bu The 1.45m shares not taken up were sold in the market at an average net price of 13.7p each.

The British Car Auction
Group, which held 24.87 per
cent of Five Oaks, placed 2.5m
shares in the market leaving
it with 13.35 per cent of Five
Oaks' enlarged rights capital.

Forretningsbanken A/S

U.S. \$30,000,000

Floating Rate Subordinated Notes due 1997.

Holders of Floating Rate Subordinated Notes of the above issue are hereby notified that for the Interest

Period from 14th July, 1986 to 14th October, 1986 the

61/1/26 per annum

14th October, 1986

per US \$10,000 Nominal

US \$175.69

Bank of America International Limited

following information is relevant:

2. Coupon Amount payable on Interest

1. Applicable

interest rate:

Payment Date:

3. Interest Payment

revenue from £10.5m to £25.5m in the year to March 31 1986. In the previous year it had grown from £4m. UK revenues for the year were £9.8m which, the company said, made it the largest independent software product supplier in the UK, and record revenues of £15.7m were generated in Europe.

CHANCERY SECURITIES shares received acceptances from holders of the franchise been informed that the anti-trust authorities do not intend to delay the completion of £2d-bury's acquisition of the US operations of the franchise bury's acquisition of the US operations of the franchise been received in respect of £450,959 nominal 5½ per cent completion for £450,959 nominal 5½ per cent completion of £450,959 nominal 5½ per J. Bibby sale

Barlee Richfield, the electronic components distributor, has been acquired from IER Electronics Group, the electronics arm of J. Ribby and Sons, for £1.8m by a newly formed company Bishopcross through a management buy-out organised by Candover Invest-

Leading Leisure plans full listing

Figures for the 28 weeks to May 18 1936 showed an increase from £177,000 to £378,000 in pre-tax profits, and Mr Whittington said he believed that even greater profits would be earned in the second balf. Leading Leisure has had five years of sustained growth, although it had not yet received the full benefit of its major capital investment over the past few years. That investment programme was new beginning to bear fruit, said Mr Whitting-

RECORD figures were reported by Leading Leisure, the South-ampton-based leisure and con-to £7.08m, and trading profit struction group which also an came out at £748,000 compared nounced its intention to seek a with £341,000.

The pre-tax figure was after interest charges up from the pre-tax figure was after interest charges up from £164,000 to £370,000. Tax took

next year.

Its original plans to move field,000 to £370,000. Tax took from Over-the-Counter trading to the Unlisted Securities attributable profits higher at Market have been dropped because of the group's trading interim dividend is forecast at the chairman, said the USM last year a total of 0.8p was would be bypassed and plans were being made for a full list-fing early in 1987.

Figures for the 28 weeks to 1.1p.

group's leisure division was expanding on all fronts and prospects continued to be excit-ing. It had recently taken possession of the Norfolk Hotel in Bournemouth, which would undergo major refurbishment during the next 13 months. A new casino would shortly be opened in Postsmouth. As reported earlier this week the group has taken a control-ling interest in the Shanklin Pier on the Isle of Wight.

News Intl. buys more Reuters 'B' shares

BY CHARLES BATCHELOR

News International, the UK was worth about \$185m at arm of Mr Rupert Murdoch's Reuters stock market valuation News Comporation group, has and the prevailing dollar/ bought a further 2.86m Renters sterling exchange rate on "B" shares to meet potential Friday. The additional 2.86m obligations imposed by a recent \$200m Euromarket issue. News Corporation announced its novel issue involving 200,000

preference shares exchange ole into Reuters "B" shares

after 90 days.

News International's existing holding of 24.74m shares or 7.9 per cent of Reuters' "B" equity

Changes in company share stakes announced last week included: Ultramar—notified that IEP Securities, a subsidiary of Industrial Equity, has increased its interest to 28.95m ordinary shares (10.57 per cent).
Celtic Haven—Director D. C.
Williams sold 50,000 shares at

williams sold 50,000 shares at an average 72p.

Fine Art Developments—the following directors have sold shares: K. Chapman 40,000 and holds 7m, D. T. Barnes 250,000 and holds 1,367,980; D. J. Booth 250,000 and holds 3,067,152; F. R. Kerry family trust 100,000 and holds 864,606.

Orderd Instruments—Direc-tor M. F. Wood sold 50,000 ordinary and sold 50,000 ordinary on behalf of his wife. Ferranti - Director P. F

Davy Corporation — Director Sir Ronald Halstead bought 10,000 shares at 123p. Thermal Scientific - The

following directors have sold shares; D. F. A. Frith, 25,000 at an average of 521p; R. F. Huddie, 3,000 at 515p; and J. P. Redfern, 1,500 at 515p.

were bought by Lyntress awholly owned subsidiary of News International from the Australian Associated Press. SHARE STAKES

Dorey acquired 25,000 ordinary at 49.7p and holds 48,310 ordinary, for this particular account (0.112 per cent).

shares were worth about \$21m, taking the total value of the holding just over the \$200m value of the preference offer.

The additional Reuters share

Republic of Iceland U.S. \$125,000,000

Floating Rates Notes due 2000

Holders of Floating Rates Notes of the above issue are hereby notified that for the interest period from 14th July, 1986 to 14th January, 1987 the following information will apply:

1. Rate of Interest: 6%% per annum

2. Interest Amount payable on Interest

Payment Date: US \$351,39

Per US \$10,000 Nominal or

3. Interest Payment Date:

Per US \$250,000 Nominal

14th January, 1987 Bank of America International Limited

LASMO Eurofmance B.V. (incorporated in The Netherlands with limited liab sting Rate Guarantaed Notes due 1989 unconditionally guaranteed by

London & Scottish Marine Oil PLC (Incorporated in England under the Companies Acts 1948 to 1967)
Notice is hereby given that the Raza of Interest has been flood at 74% p.a. and that the interest payable on the relevant Interest Payment Date, January M., 1967 against Coupon No. 9 will be U.S.\$182 - 08 in respect of U.S.\$5,000 nominal amount of the Noses.

July 14, 1986, London By: Cribank, N.A. (CSSI Dept.). Agent Bank

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's amount ments except where the forthcoming board meetings (instincted thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

Announcement las	t year."		·
Data	Annousce- ment isst year	Date .	Ages, meet pet Vaucance-
A	Interim due	*Midland	
Abbey LifeJuly 18	Final due	BERKJuly 31	ikrackli 11
ASDA-MFIJuly 21	LIVEL OND	NetWest	
BETyuly 17	Firm 11.25	Bankkity 30	
BTP1una 18	Final 2.3	Canal	
Barclays		TransportJuly 31	1004 to 2.15
BankAug 7	Interim 8.4	an a b	
	Interim 3.3	Compaignation	interim 5.5
	ridditmin and	40 110V 74	FIDEL DOS
Commercial	Interim 4.85	Royal Insce Aug 18	Interior 9.2
UnionAug 13		STCAug 3	intelia sti
Dae CorpsAug 8	Figst 4.0	SecuricorAug 7	Intellin 0.49
Distancekuly 16	Fige! 4.08	Smith and	
DowtyJuly 23	Finel 2.8	NephewAug &	Istorim 1.4
GKNAug 7	Interim 4.5	Aug 7	imerim 5.0
General		- 1 1 1 1 1 1 1 1 1	
AccidentAug 14	1.8 miregal	Tomkins	Final 1,475
	Interim 0.5	(F. H.)July 29	LINE L'MIS
Gentainer July 17	IUSSUMI O'S	Teansport	
GlyawadAug 5	Interim 3,76	Dev. Aug 12	Interies 1.7
Great Universal		TricentrolAug 14	interim 4.0
Storesluly 18	Final 11.75	UltramarAug 14	interim 4.0
Inti Leisura July 16	Final due	#I Inio8	
ListerJuna 30	Final 0.25	DiscountJuly 16	Interim 11.0
Liayde BenkJuly 25	Interim 7.5	Yorks ChmsAug 3	Final dua
		=	
Magnet and SouthernsJuly 16	Gest 2.7	anital gaiteem brood •	stad. † Highta
	i litti ,	· teatre since made. # Till	: 1980, i Ucho
Mercentile HouseJuly 30	Ricei 9	lesus since mede. The	SCIR.
70058JUIY 3U	Charles	MARKET	

BOARD N	RETINGS	
sollowing companies have notified of board mentings to the 500ck ings. Such meetings are usually for the purpose of considering ends. Official indications are not ble as to whather the dividents interins or finals and the sub-one shown below are based by on last year's timetable. TODAY	Ashley Industrial Trust	July 2 July 3 July 3 July 2 July 2 July 2 July 3
Evode, Questel. als.—Elifs and Everard, Hailite, le King, Hampton Trust, Retners allers), Sakers International, med Jersey, United Leasing, PUTURE DATES	Astra Industrial Forminster Graig Shipping Norteia Norteia Nortic Investment Trust T	Ang July 11 July 11 Ang

FT SHARE INFORMATION

The following securities have Advertising) been added to the Share Informa- Mount Bu been aurons tion Servicest
Barker (Charles) (Section,
Barker (Charles) (Section) Paper, Printing and Advertising) Cathay Pacific Airways (Indus-

Mount Burgess Gold Mining (Mines, Australian) Mrs Fields Inc (Drapery and

Stores)
Ward White Conv Red Pref Dean and Bowes (Industrials)
Lopez (Paper, Printing and Gas)

Wattu with Colly Red Free Pres
(Diapery and Stores)

Woodside Petroleum (Cli and Gas)

This advertisement is issued in compliance with the Regulations of the Council of The Stock Bushangs. It does not constitute an invitation to the public to subscribe for or purchase any securities of Clayform Properties FLC ("Clayform").

CLAYFORM PROPERTIES PLC Incorporated in England under the Companies Acts 1948 to 1980. Registered No. 1528784

Introduction to the Official List

Ordinary shares of 5p each. 2,500,000 1,766,679 Authorised 50,000,000 Issued and fully paid Warrants to subscribe for

3,411,058 ordinary shares of 5p each. 5,411,USS ORUMARY SHARES OF 5P CROSS Exchange for the whole of the shore capital of Clayform and all of the warrants to subscribe for ordinary shares in Clayform, issued and to be issued, to be admitted to the Official List. The shares wad warrants for which permission has been granted companie the existing ordinary share capital of Chafform and the ordinary shares and warrants to subscribe for ordinary shares and warrants as subscribe for ordinary shares and to be issued pursuant to the recommended offer for Samuel Properties p.Lc. Deslings are expected to commence today, 15th 15th 1796.

squires oring must a mass of the arrangement of the Summer Properties p.l.c. Destings are expected to commerce today, 14th July, 1906.
Listing Particulars relating to Clayform are available in the Extel State, all Service and copies of such particulars are also available during normal business from on any weekday (exchaing Saturdays and public holidays) up to and including 28th July, 1986 from:

Samuel Montaga & Co, Limited 114 Old Broad Street London SCZP ZHY Claylorm Properties PLC. 9 Chesterfield Street London WIX 781F Alexanders Lating S. Cruicksbank Barchys Bank PLC Resistration Departs

and are also available from the Company Austronocemen Quotations Department, P.O. Box 119, The Stock Excita-don ECCP 2BT on 15th and 16th July, 1986 14th July, 1986

Granville & Co. Limited

Member of The National Association of Security Designs and Investment Managers

8 Lovat I	ane London EC3R 8BP			Telept	i Case	01-621	1212
Capitalisat			Change	Gmee	Vield	₽/	E Fully
£0000's	Соправу	Price	OD Wool	t dby (n			- Hely
4,415	Ass. Brit. Ind. Ord	131		7.2	6.6	8,0	7.5
_	Ass. Brit, Ind. CULS	131m	-	10.D	7.6	4.0	
6,947	Airsprung Group	120	_	7.6	6.3	7.5	6.7
850	Annitege and Rhodes	34	+1	4.3	12.6	4.2	
57.222	Bardon Hill	178m		4.6			5.1
4,302	Bray Technologies	78		4.3	2.6	20.2	18.5
263	CCL Ordinary	75	-5	2.9	6.5	8'3	· 8.5_
1,075	CCL 11pc Conv. Pl	95×		15.7	3.9	5.3	8.3
12,478	Carborandum Ord	20B	* ∓6		18.3		
630	Carborundum 7.5pc Pf.	200m	1 1	9.1	44	10.0	10,3
4,618	Deborsh Services	59	+3	10.7	11.9		
3,323	Frederick Parker Group	23	-	7,0	11.9	6.1	8,1
2,196		119	+3		_	-	
2,721	Ind. Precision Castings	67			==	4.9	8.5
13,144	his Group	166	+2	3.0	4.5	17.7	14.8
6,249	Jackson Group	100	+3	15.0	9.1	12.7	19.0
48,889	Jemes Burrough	120xx	+2	6.1	5.1	8.2 -	7.3
3.467	James Burrough SpcPf.	349xc		17.0	4.9	9,8	8,9
5.940	John Howard and Co.	99	1	12.8	13.0	_	
5,940 42,524		_ 57x4		- 5.0	8.8	· —	
8,740	Record Ridgway Ord,	1300	+10	8.7	Q.7	43.0	50.g
2,403	Record Ridgway 10pcPf	380	. —		_	6.8	11,7
745		8914		14.1	16.8		. —
1,380	Danistan #44	73	-2	_		9.5	20.9
2,197	Tenden and Codfel	33	+3				8.5
1,450	Torday and Carlisle	3000	l +6	5,7	6,3	5.5	5.6
9,891	Trevian Holdings	320		7.8	2.5	6.7	8.8
9,891 22,865	Unilock Holdings	63	+7	21	3,3	17.7	15.8
4.434	Waiter Alexander	174	-1	8.6	4.8	9.8	120
4444	W. S. Yeates	190	_ ·	17.4	9.2	19.0	21,1

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the issued and to be issued Ordinary Shares of the Company in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to listing. Dealings are expected to commence on Thursday, 17th July, 1986.

The Kingdom of Belgium

£100,000,000

Floating Rate Notes due 1994

notice is hereby given that for the Interest Period from 10th July, 1986 to 10th October, 1986 the Notes will bear a Rate of Interest of 10½% per annum. The Interest Amount payable on 10th October, 1986 will be £2,567.81 per £100,000 Note.

NatWest Investment Bank Limited Agent Bank

In accordance with the provisions of the Notes,



HILLE ERGONOM pic (Registered in England and Wales -- No. 1634710)

HOARE GOVETT LIMITED of 2,830,000 Ordinary Shares of 10p each at 92p

15,000,000

Ordinary Shares of 10p each

SHARE CAPITAL Issued and to be 11,330,000

The shares now being placed will rank pari passu in all respects with all other issued Ordinary Share Capital of the Company, including the right to receive all dividends hereafter declared or paid on the Ordinary Share Capital of the Company.

Hille Ergonom is an international contract furniture group and one of the United Kingdom's leading suppliers of well designed commercial furniture. A proportion of the shares being placed is available to the public through the market during market hours today. Particulars of Hille Ergonom place available in the Extel Unlisted Securities Market service and copies of the prospectus may be obtained during normal business hours on any weekday (public holidays excepted) until 28th July, 1986 from:

14 July 1986

House Govett Limited
Heron House, 319-325 High Holbon, London WC1V 7PB

FINANCIAL TIMES STOCK INDICES

	<i>Jg y</i> 11	July 10	July 9	uly B	July 7	Jul 4	14 High	P86 Low	Since Co High	mpitation Low
Government Secs.	89.91	90.41	90,66	90,80	91,58	91.66	94.51	80.39	127,4	49,18
Fixed Interest	95,87	97.12	97,16	97.61	97.68	97.44	97.68	86.55	150,4	5D,53
Ordinary	1337.3	1340,5	1331,5	1317.7	1347.8	1356,3	1426,9	1094.3	1425.9	49,4
Gold Mines	198,1	203,6	202,4	197,3	196.6	198,6	357,0	192,3	734,7	48.5
FT-Act All Share	-	805,63	799,80	795.05	609,04	816,09	832,39	664,42	832.59	61,92
FT,8E103	1626,4	1626,7	1614,6	1599.0	1631,0	1649,4	17176	1870.1	1717,6	986,9

& Company U.S. \$200,000,000

Wells Fargo

Floating Rate Subordinated Notes due 2000

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 14th July, 1986 to 14th August, 1986 the Notes will carry an Interest Rate of 7% per amon. erest payable on the relevant interest payment date
14th Angust, 1986 will amount to
U\$\$60.28 per U\$\$10,000 Note
and U\$\$30i.40 per U\$\$50,000

> Agent Bank: Morgan Guaranty Trust Company of New York London

ISR FINANCE (CAYMAN) LIMITED US\$45,000,000 GUARANTEED Motice is beneby given that the Bate of Interest has been found or 71/1% p.s. and that the Interest Pay-sible on the colorant Interest Payment Date January 14, 1967 optics! Coupon No 6 will be US\$230.00. By Cathorik N.A. CSSI Dept leby 14, 1986

LADBROKE INDEX 1,339-1,345 (+1) Based on FT Index Tel: 01-427 4411

A 100 mm

REPUBLIC NEW YORK CORPORATION

US\$106.000.000

FLOATING RATE SUBORDINATED NOTES DUE JULY 2010

Notice is hereby given that for the period from July 14, 1986 to Uctober 14, 1986 the Notes will carry an interest rate of 57% per amount. The interest payable on the relevant interest payable on the relevant interest payable of 14, 1988 will amount to US\$175.09 per US\$10,000 Principal Amount of Notes.

THE CHASE MARKATTAN BANK, N.A. LONDON, AGENT BANK

advertisement is issued in compliance with the regulations of the Council of The Stock Exchange for the grant of Ission to deal in the Ordicary Shares of 5p each in the Company on the Unisted Securities Market. It is emphasised that plication has been made for these securities to be admitted to listing.

FLETCHER DENNYS SYSTEMS PLC

Share Capital

in Ordinary Shares of 5p each £425,000

Placing by Capel-Cure Myers

1,896,642 Ordinary Shares of 5p each at 70p per share

A proportion of the Shares has been offered to the market and may be available to the public through the market during business hours today.

The Company operates as a microcomputer Systems House and is one of the top twenty IBM authorised dealers in the United Kingdom. The Company has concentrated its sales efforts upon large companies and Local and Regional Authorities. The Company's growth has been built largely upon its ability to provide a comprehensive range of professional and maintenance services in addition to its sales of microcomputer

systems.

Full particulars of the Company are available through the Extel Unlisted Securities Market Service. Copies of the Prospectus and of Extel Cards can be obtained until 28th July 1986 from:

Capel-Cure Myers, 65 Helborn Viaduct, London EC1A 2EU A Member of the AKE Group of Companies

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Financial Times Monday July 14 1986 LONDON RECENT ISSUES

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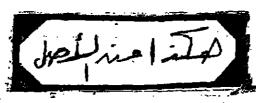
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Financial Times Monday July 14

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Shubrooks International Limited

Computer Task Group (CTG) is an international computer professional services company with revenues of over US \$140 million.

CTG's 2400 systems engineering professionals provide software development services to leading USA and international companies.

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CTG COMPUTER TASK GROUP INC.

Computer Task Group Inc. 800 Delaware Avenue Buffalo, New York 14209 Telephone: (716) 882-8000

Shubrooks International Limited Ainmers Priory, Ainmers Road Lyne, Nr. Chertsey, Surrey KT16 0BH Telephone: Chertsey (09328) 66812/67531

This announcement appears as a matter of record only

June 1986

BRUNSGOLD AUSTRALIA (CAYMAN ISLANDS) LIMITED

(incorporated with limited liability in the Cayman Islands; not affiliated with Brunswick N.L. or Normandy Resources NL)

U.S. \$4,200,000 41/2% Secured Series A Bonds Due 1994 U.S. \$4,200,000 41/2% Secured Series B Bonds Due 1994

in each case exchangeable for a payment related to the gold price and unconditionally and irrevocably guaranteed (on a joint and several basis) as to payment of interest only by

BRUNSWICK N.L.

(incorporated in the State of New South Wales as a no liability company)

NORMANDY RESOURCES NL

(incorporated in the State of Queensland as a no liability company)

BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS) LIMITED

BANQUE NATIONALE DE PARIS (SUISSE) S.A.

EFFECTENBANK VAN MEER & CO. N.V.

E. GUTZWILLER & CIE, BANQUIERS

Morgan Stanley Group Inc. **Floating Rate Notes**

Due 1993

Interest on the above securities for the interest Period of July 10, 1986 through January 11, 1987 is scheduled to be paid on January 12, 1987 at the Interest Rate of

67/4% per annum. The Interest Amount will be \$355.21 per \$10,000 of principal.

The First National Bank of Chicago
Reference Agent

RICHARDSON GREENSHIELDS OF CANADA (U.K.) LIMITED



SVENSKA HANDELSBANKEN

Uncorporated in the Kingdom of Sweden with limited liability

U.S. \$100,000,000 8 per cent. Subordinated Notes 1991 Issue Price 101 per cent.

Svenska International Limited Manufacturers Hanover Limited

Yamaichi International (Europe) Limited Application has been made for the Notes, in bearer form in the denomination of U.S. \$5,000 each, constituting the above issue to be admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global note. Interest will be payable annually in arrear on 11th August, the first payment being made on 11th August, 1987.

Listing particulars relating to the Notes and to Svenska Handelsbanken are available in the statistical services of Extel Statistical Services Limited and copies may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted), up to and including 16th July, 1986 from the Company Announcements Office of The Stock Exchange, London EC2 and, up to and including 18th July 1986 from the Company Announcements Office of The Stock Exchange, London EC2 and, up to and including 31st July, 1986 from:-

17 Devoushire Square, London EC2M 4SQ

Svenska International Limited.

Cazenove & Co. 12 Tokenhouse Yard, London EC2R 7AN

Manufacturers Hanover Limited,

London EC2 2EN 14th July, 1986



Banque Nationale de Paris

U.S. \$75,000,000 Floating Rate Notes 1987/1990/1994

In accordance with the provisions of the Notes, notice is hereby given that for the six months 14th July, 1986 to 14th January, 1987 the Notes will bear an interest rate of 7% per annum and the coupon amount per U.S.\$100,000 will be U.S.\$3,577.77.

Agent Bank Samuel Montagu & Co. Limited

U.S. \$50,000,000

Morgan Grenfell Investments N.V. porated in The Netherlands with limited liability)

Floating Rate Notes Due 1994

Payment of principal and interest unconditionally guaranteed by

Morgan Grenfell Holdings Limited (incorporated in England with limited liability)

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 14th July, 1986 to 14th January, 1987 the Rate of Interest will be 61/2% per annum. The interest payable on the relevant Interest Payment Date, 14th January, 1987, will be US\$175.69 for each US\$5,000 principal amount of the Note.

Agent Bank: Morgan Guaranty Trust Company of New York



INTERNATIONAL APPOINTMENTS

Heir apparent at MBB

BY RUPERT CORNWELL IN BONN

MESSERSCHMIDT - Boelkow - telecommunications link-up with has also long been pressed by Blohm, the West German aero-the French concern, Cie Mr Max Streibl, not only chair-space group, has nominated Mr Generale d'Electricite (CGE), man of MBB's supervisory Roland Mecklinger as its new which would see it in a group-deputy chairman and head of its ing effectively under French, defence equipment division amid strong indications that he is being groomed as the event-ual successor of Mr Hanns Arnt ual successor of Mr Hanns Arnt Vogels as MBB's chief executive.

telecommunications division.

Munich comes as SEL's parent, ITT is planning a worldwide

Two senior managers have

been appointed to the board to

rather than American control.

The move reflects Mr Vogels' keenness to instal a younger top management team at the some-Vogels as MBB's chief executive.

The 48-year-old Mr Mecklinger, whose appointment was announced on Friday, comes from the Standard Elektrik Lorenz (SEL) this year; while the man Mr electronics company, where he has been in charge of the key talecompanying of the difference division. Mr Guenther Kiblio is already 62 Guenther Kuhlo, is already 62 His switch from Stuttgart to and has long been signalling his desire to quit.

THE RESTRUCTURING of Gencor, the South African is in charge of purchasing, exmining and industrial group, has been taken a step further with moves to reshape the company's board of directors.

Two senior managers have

Mr Bernard Smith, aged 50, who is insurance group, Gencor's controlling shareholder.

The moves reflect a recent push to reinvigorate Gencor's management amid problems at several subsidiaries. Last May, the company surprised Johanneshurg's financial community.

been appointed to the board to replace 10 directors, most of them outsiders, who are retiring. The company said that the board "will become the ultimate forum for management rather than the general board it used to be."

The two new directors are communications and adminimesburg's financial community by appointing an outsider, Mr Derek Keys as chief executive. The heads of Gencor's gold mining and industrial divisions sented by Dr Fred du Plessis have subsequently resigned. Gencor says that the board of man and executive director respectively of Sankorp, the more active policy making role.

Top Diamond Shamrock move

MR J. L. JACKSON, has that it was combining its two writedowns and resulted in a

Further changes at Gencor

board, but also Finance Minister of its home state of Bavaria. which has a 24 per cent stake in

But Mr Franz Josef Strauss, the powerful Bayarian Prime Minister who has a seat on the supervisory board, almost certainly has had a hand in the matter. Mr Strauss is a keen adverse of a three straus of a transfer of a three strains of a transfer of a trans advocate of a takeover of MBB by BMW, the Munich-based car manufacturer, in order to create a giant all Bavarian high tech-nology grouping. His plans, however, have been bogged down by the fragmented share-

had responsibility for corporate the company surprised Johan-communications and admini-nesburg's financial community

founder eaves

Lotus

By Louise Kehoe in San Francisco MR MITCHELL D. KAPOR, founder of Letus Develop-ment, the leading US personal computer software pab-lisher, resigned his position as chairman of the company on Friday.

Development

One of the most successful US personal computer indus-try entrepreneurs. Mr Kapor, told Letus' emloyees on Thursday that he felt it was time to leave the running of the company to others. At Lotus, Mr Kapor estab-

lished the personal computer as a business tool with the introduction of the most sucintroduction of the most suc-cessful programme ever-Lotus 1-2-3—a spreadsheet, word processing and graphics integrated pro-gramme. Four years later, the programme remains a best seller.

Mr Kapor's resignation came as a surprise to indus-try analysts, but he has been gradually removing himself from day-to-day operations at Lotus over the past two years. In 1984, he gave up the presidency of Lotus to Jim P. Manzi, whom he had brought into the company. Mr Manzi will replace Mr

Mr Manzi will replace Mr Kapor as chairman.

"There is no external event prompting this change," said Mr Kapor, "in fact everything in the company is in good shape . . . I just decided that it was time to get on with the rest of my life."

"This is a good time for the country other." "This is a good lime for me to go on to explore other endeavours," said Mr Kapor. He stressed, however, that he has ne plans to do anything that conflicts with Lotus. He will remain a director of the company and act as a consultant for the next year.

The stock market was how.

The stock market was how-ever disappointed to hear of Mr Kapor's departure. He has provided important direction in the company's new product developments, analysis say. Lotus' stock declined \$2 to \$321 on Friday.

Despite the company's leader ship of the personal computer software industry, Lotus con-tinues to suffer from a "one product company" image. None of the programmes that it has published since 1-2-3 have lived up to the success of the original.

But the overwhelming Kapot legendary status in the personal emiputer industry and great personal wealth. He is the company's largest shareholder with about 11 per cent of the stock, worth over \$50m. testay

MR J. L. JACKSON, has resigned as the president and chief operating officer of Diamond Shamrock, the Dallasbase energy group which has been hit by the slump in the US oil patch and is in the midst of streamlining its operations. Mr William Bricker, who has headed the group for the last decade, says that "due to the consolidation of our exploration companies, the intended sale of our chemicals and coal businesses, and the desire to operate with a flatter organisation, the position of chief operating officer has been eliminated." Mr Bricker, and coal businesses, and the desire to operate with a flatter organisation, the position of chief operating officer has been eliminated. Mr Bricker, aged 54, will assume the title of president, in addition to his current responsibilities as chairman and chief executive. Mr Bricker, aged 54, will assume the title of president, in addition to his current responsibilities as chairman and chief executive. Mr Bricker, aged 54, will assume the title of president, in addition to his current responsibilities as chairman and chief executive. Mr Bricker, aged 54, will assume the title of president, in addition to his current responsibilities as chairman and chief executive. Mr Bricker, aged 54, will assume the title of president, in addition to his current responsibilities as chairman and chief executive. Mr Bricker, aged 54, will assumed Wall Street by backing out of a \$3.25bn takeover bid layer of a medium-sized Cleveland chemicals of the coal bammock's shares, which were trading around \$20 and chemicals to sinsesses in the form of the proposed of the coal bammock was in recent days, may may be forced to cut its long-term strategy of becoming the collapse of the coal part of the proposed **UK APPOINTMENTS**

Trafalgar House construction reorganised

Following the acquisition of John Brown, the TRAFALGAR HOUSE GROUP has restructured its construction and engineering opeartions. Mr Allan Gormly, whol continues as managing director of John Brown, has become a main board director of Trafalgar House and a director of Trafalgar House Construction Holdings (THCH). Er Vincent Grundy, who is a main board director of Trafalgar House and managing director of the recently managing director of the European ford president of the European ford p Holdings (THCH). Let Vincent Grundy, who is a main board director of Trafalgar House and managing director of THCH, has managing director of THCH, has been appointed chairman of John Brown. Mr Barry Myers becomes managing director of the building and civil engineering division which operates in the UK and overseas. The division by the UK and overseas. the UK and overseas. The division includes Trollope and Colls, willett. Cementation Construction, Piling and Foundation, Cementation International and Agent Plant Hire. Mr Mike Rumball is made managing director of the construction supplies division which incor-

Mr James Riddell has been appointed finance director of COUNTY GROUP, the management company of NatWest Investment Bank He was finance

ford president of the European Feed Manufacturers' Federation, has joined the board as a non-

Mr Reith Wilson and Mr Tom

Kerrigan have been appointed directors of HENRY COOKE, LUMSDEN, Manchester stockbrokers, Mr Wilson also holds directorships brokers. Mr Wilson also holds directorships of Arkwright Management (the unit trust arm of Henry Cooke (Lumsden) and Henry Cooke, Estridge (Pensions). Mr Kerrigan is director responsible for the overseas department, and is a director of Henry Cooke. Estridge (Pensions).

Mr Peter Haworth has been

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned mainly on last year's timetable.

COMPANY MEETINGS—
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HILL Ec. 12.30
BOARD MEETINGS— Product Siles and Everard Halling Greene King Hampton Trust Ratners (Jewellers) Sekers International Tentured Jersky United Leasing nmans Electrical

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North Surrey Water 40cDb 2pc
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COMPANY MEETINGS—
ritish Land, May Fair Hotel, Stratton St.

w. 12.00
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Glasgow, 12.00
Caledonia Invs. Cayzer House, 2-4 St Mary
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Detasery, Elity of London Club, 40, 004 Axe. EC. 3.00 of London Cleb. 19 Old Broad St. Ec. 12.00
Broad St. Ec. 12.00
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Fostor John). Black Dyice Mills. Queens-bury. Startford, 12.30
Geel Rosen. Carnaryon Hotel, Eaking Comming. W. 11.00 Dury, Stationed, 1230 Contests, Caretas, Caretas, Caracron Hotel, Ealing Common, W. 12 00 Feb. 55. 12 00 Feb. The state of the s

> Technology Investment Trust British Kitiney Patient Assoc Invest Trust General Consolidated Trust

> nion Discount
> DIVIDEND & INTEREST PAYMENTS—
> INSID-American Securities 4120CCumpri MAY JULY 17

COMPANY MEETINGS—
Iriford Streamines, Northampton Mont
House, Silver St. Northampton, 12 00
pots, Growenor House Hotel, Park Lane, House, Silver St. Northampton, 12 00 Boots, Grosvesor House Hotel, Park Lane, W. 7,09 Brown Shipley, Founders Court, Lothbury, EC, 12.50 Kingster and Porester, Gorse Mill Chadder-tos, Oldham 12.00
Milles 33, Tower Hubst. St Katherine's Way, E. 12.00
Payles Inthi, Hyde Park Hotel. 66 Knights-hri65e. 5W, 12.00
Silentoight Hotelings, Bistriers' Hall, Barthellomew Close. EC., 12.00
BOARD MEETINGS—

Mr Ian Williams has been appointed managing director of LANSING BAGNALL, Basing-stoke. The appointment follows the promotion to deputy chairman of Mr John Allenby and Mr Derrick Larkins who have been directly account of the control of the control

Dr Malcolm Standish, previously technical director for ERITISH ALCAN foil division, has been appointed to the new rost of business development director. He will retain his technical responsibilities for foil-based developments across the division, but will in addition concentrate on investigating new business opportunities.

appointed chief executive of SERERS FABRICS, a subsidiary of Sekers International. He will remain group financial director of Sekers International.

Interience
Abbey Life
Ashley Indostrial Trus
Devhurst
Electronic Machine
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Rank Organisation
River and Mescartile
Rominey Trus
Romatics DIVIDEND & INTEREST PAYMENTS-

DIVIDEND & INTEREST PAYMENTS—Boots 4.6p Brownies 3a Do Specusipre 17.5p Brownies 3a Do Specusipre 17.5p COMPANERS AND SPECUS 18. COMPANERS AND SPE

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1 BOARD MEETINGS—
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Bromagnove Industries
Cowan de Groot
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WORLD STOCK MARKETS

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, July II 35% 26% 16 35% 41 82% 82% 88% 22% 88% 34% 34% 3676 2674 2612 16 3674 41 9216 80 2212 2414 653 70 2474 35 2374 Chemed 56

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Harm	p(52.4)	1.7	1.7	1.7	
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Anthou \$ \$25 \ \$25 17.5 1912 47.25 161.25 161.35 多?放弃的这种的形式,也是一种,我们是这种情况的现在,我们也是这种的现在,我们是一种,我们是一种的,我们是一种的,我们也是一种的, 95.5 1275

NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES Closing prices, July 11

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July Aug Sept Dec	July Aug Sept Dec				
15.85	15.85	15.85	15.85	15.85	15.85
10.85	10.85	10.85	11.43	0.00	0.17
10.85	10.85	10.85	11.43	0.00	0.17
10.85	2.92	3.85	5.84	0.00	0.81
0.95	2.92	3.85	5.84	0.00	2.85
0.00	0.25	0.33	2.31	9.15	9.31
0.00	0.28	0.83	2.31	9.15	9.31
0.00	0.28	0.83	2.31	9.15	9.31
0.00	0.28	0.83	2.31	9.15	9.31
0.00	0.28	0.83	2.31	9.15	9.31
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0.00	0.81	0.83	0.83		
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PHILADELPHIA SE E/S OFTIONS £12,500 (cents per £1)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

Estimated volume 20 (65) Previous day's open inc. 766 (762)

High Low Prev 30.50 90.37 90.34 20.98 90.60 90.55 50.55 90.53 30.50 90.50 90.50 90.35 90.50 90.50 90.35 open int. 15,851 (15,716)

Prev 164.50 167.10 169.70

THREE-MONTH STERLING

LONDON

Calls—Last
Aug Sept Dec
— 19.50 19.50
— 14.60 14.60
— 5.60 10.00
5.00 5.45 \$.45
0.75 1.45 2.90
0.25 0.65 1.75

Fed cuts but dollar holds on

BY COLIN MILLHAM

A cut of half a percentage point to 6 per cent in the US Federal Reserve's discount rate was not a surprise, although the timing—just after the close of normal trading in New York on - was earlier than

A little earlier the same day, Mr Larry Speakes, commenting on behalf of the White House, said no pressure was being put on the central bank to cut its rate. Also on Thursday Mr rate. Also on Thursday Mr Satoshi Sumita, governor of the Bank of Japan, told reporters in Tokyo he had no plans to cut the Japanese discount rate from 3.5 per cent. This view was repeated by another official of the Japanese central bank on Friday, after the Fed's move.

The US discount rate cut shows the authorities' concern about a stalling of the economy. Growth in the first quarter was quite healthy, at around 3 per cent, even if there were special factors behind the figure. After most disconsisting statistics. recent disappointing statistics, second quarter gross national product growth, to be announced tomorow week, will almost cer-tainly be lower, possibly falling below 1.5 per cent. The slow down in the second quarter en-couraged Thursday's rate cut, in spite of the concern shown by Mr Paul Volcker, Federal Reserve Board chairman, about above target M1 money supply growth

£ IN NEW YORK

July 11 Close 181,4870,4980 | \$1,5186,5170 | 0,43-0,42pm | 0,48-0,41pm | 1,23-1,20pm | 4,32-4,25pm | 4,33-4,25pm | remisms and discounts apply to the US dollar

and fear of provoking a down-ward spiralling dollar, stoking future inflationary pressure. On Friday the dollar showed no signs of weakening. The level of DM 2.16 is known to be a strong technical support level as far as chart followers are concerned, but there was no attempt to mount an attack. There was a support as the 2 shorters to mount an attack. There was even a suggestion that a shortage of dollars could lead to a move back above DM 2.20, before the downward trend was resumed.

Dealers were also reluctant to go heavily short of dollars, for fear that after its denials the Bank of Japan was still liable to cuts its discount rate at any time.

West Germany was considered

West Germany was considered much less likely to make any sudden move on its discount rate. sudden move on its discount rate. The D-Mark improved its position in the European Monetary System, and established itself above its floor against the French franc. Broadly based West German money supply has also improved, but remains well above the target range of 3.5-5.5 per

CURRENCY MOVEMENTS OTHER CURRENCIES

Arg'tins... 1.2430-1.3485 0.8900-0.8910
Aus'alia... 2.3620-2.3660'1.8684-1.5881
Brazil.... 20,77.82.90' 15,77.15.84
Finland ... 7.8825-7.70575, 1010-5, 1080
Greece... 210.00-213,61 138,33-140,67
H'kong ... 11.8907,18110-7.8130
iran...... 119.55" 77.75"
Kuwaki ... 0.4380-0.43800, 2988-0.28075
Lixt'burg ... 0.4380-0.43800, 2988-0.28075
Lixt'burg ... 0.4380-0.43800, 2988-0.28075
Lixt'burg ... 0.4380-0.43800, 2988-0.28075
Sald Ar., 15,6565-6.46802, 5780-5,780
Sald Ar., 15,6565-6.46802, 5780-5,780
Sald Ar., 15,6565-6.46802, 5780-5,780
Sald Ar., 15,6565-6.56802, 5780-5,780 July 11 -16.9 +4.9 -11.8 + 7.3 - 7.5 - 1.1 +15.4 + 18.9 + 13.7 -17.6 +56.6

POUND SPOT-FORWARD AGAINST POUND

3.34 1.56 4.20 2.84 0.93 5.39 -7.59 -4.16 -4.17 2.85 0.9 6.56 4.77 5.38

FORWARD RATES AGAINST STERLING

7.91896 2.13834 8.96280 2.40935

cent. Overall the German Bundesbank is probably happier about the position of the D-Mark within the EMS, and about the domestic monetary situation, than for some time, but would probably prefer to see a con-certed round of interest rate cuts in Europe, involving the Bank of France, rather than to act

on Thursday, for the last time before a four-week break, and opinion suggested the West German central bank would wait at least another month, before cutting its discount rate, unless there was unacceptable upward the Description on the Description the pressure on the D-mark in the meantime.

meantime.

Last week Mr Hans Tietmeyer, Secretary of State at the West German Finance Ministry, said a further reduction in the value of the dollar would be inappropriate. He added that a joint signal from central banks was possible if the dollar fell too far. possible if the dollar fell too far.

Economic forecasters have:
suggested a possible fall in the
US currency to below Y150
against the yen, which on present
cross rates indicates a value
against the D-Mark of less than
DM 2.00. At these levels the
Bank of Jepan and the Bundesbank would almost certainly be
looking to the Federal Reserve
to join them in an orchestrated
support of the dollar.

CURRENCY RATES

Europea Currence Unit - 0.780631 6 1,18211 8,84 4 18,1336 6 53,0886 7 9,65183 31₉ 2,57984 41₂ 2,9042 91₂ 8,86896 12 1770.30 14 188,724 8 8,90720 - 164,141 8 8,41308 4 2,10628 201₂ 166,512 - 0.654840 0.647136 0.979441 1.54918 15.0344 43.9940 7.98293 2.13832 2.40845 6.86588

DOLLAR SPOT-FORWARD AGAINST DOLLAR

by 11 spread Close One month p.a. months p. mo

EURO-CURRENCY INTEREST RATES

Three Stx Months Months 954-978 Sterling... 10 1014 101g-1014 10-1016 97g-10 978-10

(4 pm)

MONEY MARKETS

Thoughts turn to lower rates

London interest rates were little changed last week, which may be taken as a fairly encouraging indication after a fall in North Sea oil prices to a 12-year low, coupled with a decline in the value of sterling, and another set of poor UK money supply figures.

Interbank rates moved up on Tuesday afternoon, following publication of a 1½ per cent rise in sterling M3 money supply. This continued the recent disappointing series of figures and gave an annualised growth rate of 18½ per cent, compared with the Treasury's target range of 11-15 per cent.

the Treasury's target range of 11-15 per cent. Any lingering hopes of an

UK clearing bank base lending rate, 10 per cent since May 22

the foreign exchanges. the foreign exchanges.

Sentiment can change very quickly however, and by Friday afternoon the outlook was more cheerful. Overnight the US Federal Reserve had cut its discount rate to 6 per cent from 6 per cent. The fall of 0.1 per cent in the June UK retail prices index was widely forecast, but was another encouraging factor, with year-on-year inflation falling to a 20-year low of 2.5 per cent.

Any integring hopes of an early base rate cut appeared to have been finally dashed.

Intervention by the Bank of England in the money market on particularly when oil prices fell Friday morning also left dealers below \$10 a barrel, and sterling began to look very nervous on cut was much nearer than had

WEEKLY CHANGE IN WORLD INTEREST RATES

July 11 change FRANKFURT Unch'd +0.05 +0,025 BRUSSELS One month Unch'd One month Unch'd Three mon 排 AMSTERDAM

MONEY RATES

įπ

July 11	Ov'r-nig't	One Month	Two Months	Three Months	Six Months	Lomberd la'v'tia
Frankfurt		4.55-4.65 716-714	4.55-4.65 718-714	4.55-4.65 71a-714	4.55 4.70	6.5
Zurich	Tg-1ig	419-468	· <u>·</u>	412 468	; =	1 _
Amsterdam	4.34375	4.65625	i =	2# 2#	; -	: =
Milan	7,50	714-714	i —	114-121s 71s-74	! =	=
Dublin	984-934	958-934	S.F. S.F.	24-95 ₉	966 Gig	∤

earlier. The authorities provided most of the day's help through reasonably short bill repura reasonably short bill repurchase agreement, until July 22, at an attractive level of 10-10-th per cent. Although Japan and West Germany appeared reluctant to foll the trend from the Federal Reserve, thoughts began to turn again towards concerted

action to reduce world interest

One month Two month Six month One year

NEW YORK RATES

6.07

BANK OF ENGLAND TREASURY BILL TENDER June 11 | July 4

£100m Top Accepte rate of dis £100m £322,6m £427,82m Average 2100m rate of discount 9,3907% 9,3040% 9,62% 9,52% linimum accepted bid ____ £97,655 £97,67 £100m | £100m stment at

FT LONDON INTERBANK FIXING

(11.00 a.m. July 11) Three months US dollars reference banks at 11 am each working day. The banks are National Wastmin-ster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Massan, Guerrann Tourt The fixing rates are the stitumetic means, rounded to the nearest one-

LONDON MONEY RATES

10 952-10 3-1014 8-10

Treasury Bills (sell): one-month 9th, per cent: three months 9th per cent. Index (sell): one-month 9th, per cent: three months 9th per cent. Index (sell): one-month 9th, per cent: three months 9th per cent. EGG Fixed ideance Scheme IV reference date June 4 to July 1 (inclusive) 9.824 per cent. Local Authority and Finance Houses seven days notice, others seven days ixed. Pinance Houses Base Nate 10 per cent from July 1 1988, Sank Deposit (stas for sums at seven days notice 4.354.375 per cent. Certificates of Tax Deposit Series 6): Deposit 100,000 and over held under one month 10 per cent; one-three months 10 per cent: three-six months 9th per cent; six-nine notice 35. Deposits from June 35. Deposits sheld under Series 6 9th per cent. Deposits withdrawn or cash 9th per cent.

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Marketmakers in DeutschmarkBonds West LB Westdeutsche Landesbank

Reinsurance The Financial Times propose to publish a survey on the above subject ea Monday 8th September 1986

For details of advertising rates, please contact: Nigel Puliman Financial Times Bracken House 10 Cannon Street London EC4P 4BY Tel: 01-248 8000, Extn. 4063 Publication date is subject to change at the discretion of the Editor.

INSTITUTO DE CREDITO OFICIAL ICO La public emity of the Spenish State US\$75,000,000 FLOATING RATE NOTES OUE 1992 Retractable at the option of the holder in 1969) In accordance with the provision of the Notes, notice is hereby given, that for the period from 14 July, 1966 to 14 January, 1987 his Notes will carry an interest nation of 7% per ancient. The interest psychologist entire individual particular apparent January, 1987 against Coupon No. 9 self be USSET 78.

This announcement appears as a matter of record only.

0.482 0.725 1.586 115.9 5.091 1.296 1.779 1086 1. 32.52 1481 2.230 4.678 358.0 15.66 3.885 5.470 3340 3.076 100

Yam per 1,000; French Fr per 10; Lira per 1,000; Belg Fr per 100.

LONDON SE E/S OPTIONS £12,500 (cents per £1)

0+c 1.51 1.28 1.07 0.86 0.68 0.51 6.37

Sept Dec March June Sept Dec March June

CURRENCY FUTURES

POUND-8 (FOREIGN EXCHANGE)

Close High Low I Sept 1,4890 1,5055 1,4890 1,5 Dec 1,4775 1,4835 1,4775 1,4 March 1,4645 1,4600 1,4860 1,4 LIFFE STERLING 225,000 \$ per £

INOM-STERLING So per £

3.210 0.817 1.121 684.7 43.53 11.06 15.21 9867.

329.7 10. 2.546 2.494 2135 1.964 65.86 90.84 3.938 1. 1.575 838.1 0.772 25.09

Prev 100-04 99-12

Puty-Lest
July Aug Sept Dec
- - 0.05 0.35
- - 0.10 0.85
- - 0.45 1.80 3.50
- - 0.75 1.80 3.50
0.05 2.50 3.80 6.00
4.90 6.25 7.20 9.55
9.55 10.80 11.40 13.24

THREE-MONTH FURODOLLAR

Ciose High Low Prev Sept 33.55 33.58 33.53 33.53 Dec 33.47 33.49 92.44 23.45 March 33.23 33.30 33.22 30.28 June 33.01 33.04 33.01 32.39 Sept 32.72 32.70 Dec 32.41 — 32.39 March 32.14 — 92.12 Estimated volume 6.127 (5.357) Previous day's open int. 18,205 (18,155)

Close High Low Pre-Sept 39-70 100-01 99-05 100-0 Dec 38-20 - 39-1 Estimated volume 6,008 (8,442) Previous day's open int. 7,639 (7,275)

EXCHANGE CROSS RATES

CHICAGO

| Calin | Last | Calin | Calin



Hanson Trust plc

£250.000.000

Transferable Loan Facility

Arranged By

Chemical Bank International Group

Lead Managed By

Banque Paribas (London) Chemical Bank International Group

Crédit Lyonnais, London Branch **Credit Suisse**

Midland Bank plc/Samuel Montagu & Co Limited The Sumitomo Bank, Limited

Toronto Dominion Bank Union Bank of Switzerland

Managed By

Algemene Bank Nederland N.V., London Office Amsterdam-Rotterdam Bank N.V. The Bank of Nova Scotia Commerzbank Aktiengesellschaft, London Branch Crédit Agricole, London Branch Deutsche Bank Aktiengesellschaft, London Branch Dresdner Bank AG, London Branch

The Fuji Bank, Limited The Hongkong and Shanghai Banking Corporation The Sarwa Bank, Limited Swiss Bank Corporation

Westdeutsche Landesbank Girozentrale

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Agent

Chemical Bank

June 1986